



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 2, 2018

RE: Analysis and Fiscal Notes

Unaudited Fund Balances as of 12/27/17:

4% Reserve Fund	\$39,816,604*
Metro Self Insured Liability Claims	\$5,783,751
Judgments & Losses	\$3,472,988
Schools Self Insured Liability Claims	\$4,281,381
Self-Insured Property Loss Aggregate	\$6,970,142
Employee Blanket Bond Claims	\$662,451
Police Professional Liability Claims	\$2,341,235
Death Benefit	\$1,396,899

*This assumes unrealized estimated revenues in FY18 of \$24,789,982.

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

– RESOLUTIONS ON PUBLIC HEARING –

RESOLUTION NO. RS2018-999 (O’CONNELL) – This resolution would approve an exemption for Germantown Bar, located at 1318 Sixth Avenue North, from the minimum distance requirements for obtaining a beer permit.

The Metro Code of Laws (MCL) prevents a beer permit from being issued to an establishment located within 100 feet of a religious institution, school, park, daycare, or one- or two-family residence. However, several exceptions exist to the distance requirements. Facilities within the USD 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)). Until recently, this Code section further required restaurants to have state on-premises liquor consumption licenses to obtain such exemption. However, Ordinance No. BL2016-454, passed on November 15, 2016, eliminated this requirement.

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. BL2017-937 (SHULMAN) – This ordinance, as substituted, would amend Title 17 of the Metro Code of Laws (MCL) regarding short term rental properties. The public hearing and second reading of this ordinance was previously deferred until January 2, 2018 in conjunction with BL2017-981 (Withers) which similarly addresses short term rental properties. Both ordinances will presumably be scheduled for third reading on January 16, 2018 in conjunction with BL2017-608 (Hagar and others) whose sponsor has likewise notified Council members of his intent to defer third reading from January 2, 2018 to January 16, 2018.

Title 17 of the MCL currently regulates short term rental properties (STRP). Under current law, permits are issued for three types of STRPs: owner-occupied (Type 1); not owner-occupied (Type 2); and not owner-occupied multifamily (Type 3). An STRP is permitted as an accessory use in all zoning districts that allow residential use, provided a permit is obtained.

Ordinance BL2017-937 would separate STRPs into two categories: “Short term rental property (STRP) – Owner-Occupied” and “Short term rental property (STRP) – Not Owner-Occupied”. STRP – Owner-Occupied would be allowed as an accessory use in certain specified zoning districts, while STRP – Not Owner-Occupied would be allowed as a use permitted with conditions in certain specified zoning districts.

A new section 17.16.070.U would be created to regulate STRP – Not Owner-Occupied. Under proposed Section 17.16.070.U.1, an owner of the property would be required to obtain an STRP permit from the Department of Codes Administration. Any advertising would be required to prominently display the permit number of the STRP unit. Within the Urban Zoning Overlay (UZO) district, no more than three percent (3%) of single-family or two-family residential units in each census tract would be permitted as STRP – Not Owner-Occupied use. Outside of the UZO district, no more than one percent (1%) of single-family or two-family residential units in each census tract would be permitted as STRP – Not Owner-Occupied use. In single-family and one- and two-family zoning districts, a Not Owner-Occupied unit could not be located within 1,320 feet (¼ mile) from the property line of another Not Owner-Occupied use – often referred to as an “anti-clustering” provision. Only one (1) permit could be issued per lot in single-family and two-family zoning districts. STRP – Not Owner-Occupied units would be permitted as an accessory use to multi-family use associated with Manufacturing, Artisan in IWD, IR, and IG zoning districts. Notwithstanding these limitations, the ordinance would allow permits issued under previous regulations to be renewed (provided such permits were properly issued and maintained in good standing).

Under this proposed Section 17.16.070.U, the permit application process would remain the same. Signage for STRP – Not Owner-Occupied would be regulated under the comprehensive provisions under Chapter 17.32 of the Metro Code.

This ordinance would further amend Section 17.16.250.E to apply only to STRP – Owner-Occupied. An operating permit would be required prior to operating an STRP – Owner-Occupied, issued by the Department of Codes. Advertisements would be required to prominently display the permit number, and only one permit per lot would be allowed for single-family and two-family zoning districts. The owner would be required to reside on the same and would further be required to be a natural person or persons as opposed to a limited liability entity (e.g., a corporation or LLC) or an unincorporated entity (e.g., a partnership, joint venture, or trust). For two-family dwellings, the ownership of the two-family units could not be divided and the units would be required to be owned by the same person with one unit being the primary residence of the owner. For these two-family dwellings, an instrument would be required to be prepared and recorded with the register's office covenanting that the two-family dwelling could only be used under these conditions as long as the STRP – Owner-Occupied permit is valid.

Regulations for STRP – Not Owner-Occupied are provided under proposed Section 17.16.070.U.4 and identical regulations for STRP – Owner-Occupied are provided under proposed Section 17.16.250.E.4. Occupants would be required to abide by all noise regulations, as well as public peace, morals, and welfare, parking and waste management provisions in the Code – essentially providing a more specific recitation of what constitutes a “strike” for zoning appeals purposes. State and local fire and building codes would apply, specifically including required smoke alarms. Parking would be required in accordance with MCL section 17.20.030, and no recreational vehicles, buses or trailers could be visible. Food preparation would be prohibited. Maximum occupancy would be limited to no more than (i) twice the number of sleeping rooms, plus four, or (ii) ten, whichever is less, and the limit would have to be posted within the STRP. If an STRP advertises a larger number of occupants than allowed, it would be grounds for permit revocation. STRP owners could not be paid for stays of less than 24 hours or more than 30 days. The local responsible party's contact information would need to be conspicuously posted within the unit and he/she would be required to answer calls 24/7 throughout each rental period.

Permits for both STRP – Not Owner-Occupied and STRP – Owner-Occupied expire 365 days after issuance unless renewed prior thereto. Renewals could be submitted by mail, online, or in person by units with no documented complaints. Such STRP owners would be allowed a 30-day grace by the zoning administrator, given a reasonable explanation for delay. The renewal application would require the renewal fee as well as the information required in the original application, again verified by affidavit. For those with documented complaints, no grace period applies. STRP permits could not be assigned or transferred to others.

The Department of Codes would be obligated to notify permit holders upon the filing of a complaint. If the zoning administrator determined that two (2) Code violations had occurred within a 12 month period, the STRP permit could be revoked following 15 days' written notice of the alleged violations. Administrative appeals to the BZA could be pursued by permit holders after a revocation. Once revoked, no new permit could be issued for one year. Operating an STRP without a permit would carry a fifty dollar fine, with each day of operation constituting a separate offense. For such operators, a waiting period of one year would apply before eligibility

for an STRP permit. In comparison to the existing Code, BL2017-937 would limit the discretion of the Board of Zoning Appeals in instances where offenders claim unawareness of the requirement to obtain permits.

This ordinance has been approved by the Planning Commission.

BILL NO. BL2017-938 (GLOVER) – Section 17.20.120 of the Metro Code of Laws (MCL) regulates the requirements for the provision of sidewalks. This section was substantially amended in April 2017 by the Council’s adoption of Ordinance No. BL2016-493.

Subsection 17.20.120.A generally requires sidewalk construction upon the redevelopment of multi-family or nonresidential property, and only upon the new construction of single-family and two-family residences. The requirements for multi-family or non-residential development only apply within specified locations – subject to the value of any expansion, or its square footage, exceeding the original value or size by specific percentages. The requirements for single- and two-family construction likewise only apply within specified locations.

This ordinance would amend subsection 17.20.120A by exempting religious institutions from these sidewalk requirements, provided the religious institution is within the General Services District and does not abut an existing or planned sidewalk.

Religious institutions can challenge zoning requirements and other local government regulations under the Tennessee Religious Freedom Restoration Act, Tenn. Code Ann. §4-1-407. This state law provides that government entities are prohibited from “substantially burden[ing] a person’s free exercise of religion even if the burden results from a rule of general applicability.” Such protections could extend to sidewalk regulations. However, local government regulations may prevail if deemed essential to furthering a compelling governmental interest (such as, perhaps, implementing pedestrian walkways, *etc.*) and are the least restrictive means of doing so.

This ordinance has been disapproved by the Planning Commission.

BILL NO. BL2017-981 (WITHERS) – This ordinance would amend Title 17 of the Metropolitan Code of Laws regarding short term rental properties and establish a renewal allowance for existing permitted uses. As with BL2017-937 above, public hearing and second reading of this ordinance was deferred until January 2, 2018 in conjunction with BL2017-937 (Shulman) which similarly addresses short term rental properties. Both ordinances will presumably be scheduled for third reading on January 16, 2018 in conjunction with BL2017-608 (Hagar and others) whose sponsor likewise notified Council members of his intent to defer third reading from January 2, 2018 to January 16, 2018.

STRPs are regulated under Section 17.16.250 of the Metropolitan Code. As currently defined, "Owner-occupied" means the owner of the property permanently resides in the STRP or in the principal residential unit with which the STRP is associated on the same lot. Similar to BL2017-608, the ordinance under consideration would amend this section of the Code to create a two-tiered definition for short term rental properties: (1) "Short term rental property (STRP) – Owner-Occupied" and (2) "Short term rental property (STRP) – Not Owner-Occupied".

The ordinance would amend the definition of "owner occupied" to require that the owner be a natural person or persons, as opposed to a limited liability entity (e.g., a corporation or LLC), or an unincorporated entity (e.g., a partnership, joint venture, or trust).

Like BL2017-608, this ordinance would allow "STRP – Owner-Occupied" as an accessory use in specified zoning districts and allow "STRP – Not Owner-Occupied" as a use permitted with conditions in specified districts (excluding single-family and one-and two-family zoning districts).

The permit requirements found in Section 17.16.250.E would apply only to "STRP – Owner-Occupied" and references to permitting different types of STRPs would be deleted. The limit of one permit per lot in single-family and one and two-family zoning districts would be removed.

A new section regulating "Short term rental property (STRP) – Not Owner-Occupied" would be added as a new Section 17.16.070.U. These requirements would largely mirror the Owner-Occupied requirements for permits, application, signage, and regulations. (This ordinance would not allow new "STRP – Not Owner-Occupied" permits in Single-Family and One and Two-Family districts, so census tract limitations are not provided.)

The renewal fee for STRP – Owner-Occupied properties would remain at \$50 pursuant to Section 17.16.250.E.4.i. (The fee is not yet specified for STRP – Not Owner-Occupied).

As noted, this ordinance mirrors BL2017-608 in several respects. However, this ordinance would allow for permits issued under previous regulations to be renewed (assuming they were properly issued and maintained).

This ordinance has been approved by the Planning Commission with an amendment restructuring the text for clarity.

BILL NO. BL2017-982 (WITHERS) – Section 17.16.250 of the Metro Code of Laws lists the requirements for residential accessory uses within the zoning code. The ordinance under consideration would replace the current Section 17.16.250.E.1 regarding permit requirements for short-term rental properties. As with BL2017-937 and BL2017-981 above, the sponsor of this ordinance deferred public hearing and second reading until January 2, 2018. This ordinance would be scheduled for third reading on January 16, 2018 in conjunction with BL2017-608 (Hagar and others), BL2017-937 (Shulman) and BL2017-981 (Withers).

Currently, Section 17.16.250.E.1 requires that the owner of an STRP obtain a permit from the Department of Codes Administration and requires that any advertising for an STRP (a) prominently display the permit number for the STRP unit; or (b) include an image of the permit or link to an image in which the number is legible. This section also defines the three types of STRP permits: owner-occupied (Type 1); not owner-occupied (Type 2); and not owner-occupied multifamily (Type 3). A limit of no more than 3% of single and two-family residential districts within a census tract are permitted for Type 2 STRPs, and only one permit per lot is allowed for single-family and one and two-family zoning districts.

The ordinance under consideration would retain the permit and advertising requirements, but would remove the three STRP types and the 3% limitation for Type 2 STRPs. In addition, it would allow for a permit to be issued for either dwelling unit in two-family dwellings, provided that (i) the entire two-family dwelling is owned by a single owner, and (ii) one of the dwelling units is the primary residence of the owner. It would also specify that only one (1) could be issued per lot in single-family and two-family zoning districts.

If adopted alone, this ordinance would eliminate distinctions between the types of short term rental properties. However, if adopted in conjunction with BL2017-608 (Hagar and others), BL2017-937 (Shulman), or BL2017-981 (Withers), its impact would be limited to allowing duplexes to be considered for owner-occupied permits under certain circumstances.

This ordinance has been approved by the Planning Commission with an amendment restructuring the text.

BILL NO. BL2017-1005 (O'Connell) – This ordinance would amend Title 17 of the Metropolitan Code to establish new regulations to allow hotels as a use permitted with conditions in certain zoning districts.

This ordinance would allow Hotel/Motel use within the Urban Zoning Overlay (UZO) district on no more than three percent of the residentially zoned properties within each census tract. Outside of the UZO district, no more than one percent of the residentially zoned properties could be permitted as Hotel/Motel use. These requirements mirror the census tract limitations applied to short term rental properties within Ordinance No. BL2017-937. There is also an anti-clustering provision that would require Hotel/Motel uses to be located more than 1,320 linear feet (1/4 mile) from the property line of another property upon which another Hotel/Motel use is located – again, a provision similar to pending STRP legislation. Further, Hotel/Motel use would be permitted as an accessory use to a multi-family use associated with Manufacturing, Artisan.

This ordinance has been disapproved by the Planning Commission.

BILL NO. BL2017-1029 (GLOVER) – This ordinance would amend Section 17.20.120 of the Metropolitan Code of Laws regarding contributions paid in lieu of the construction of sidewalks.

Section 17.20.120 currently allows for building permit applicants, under certain conditions, to pay a contribution to the fund for sidewalks in lieu of building a sidewalk otherwise required under this section. Under the current Code, these contributions are required to stay within the pedestrian benefit zone where the project is located. There are currently 16 pedestrian benefit zones.

This ordinance would amend the Code to require contributions made to the fund for sidewalks to stay within the Council district in which the project is located. All references to “pedestrian benefit zones” would be removed.

BILL NO. BL2017-1030 (GLOVER) – This ordinance would amend Chapter 2.48 of the Metropolitan Code of Laws (MCL) to require an annual study of sidewalk costs. In addition, Section 17.20.120 of the MCL would be amended regarding contributions in lieu of building sidewalks.

This ordinance would add a new Section 2.48.040 to require the Department of Public Works to conduct an annual study to determine the cost of constructing sidewalks within Davidson County. This study would be required to be completed by July 1 of each year. The study would solicit input from all affected parties and include public hearings. The results of the study would be submitted to the Metro Council upon completion.

Section 17.20.120 would be amended to require that, if a study is not timely completed, the Department of Public Works could not require applicants to pay a contribution in lieu of building a sidewalk until the required study is completed.

– RESOLUTIONS –

RESOLUTION NO. RS2017-957 (SLEDGE, BEDNE, & ELROD) – This resolution would authorize GBT Realty Corporation to construct, install, and maintain an aerial encroachment at 1608 21st Avenue South. The encroachment consists of a double-faced, projecting, illuminated sign.

The applicant must indemnify the Metropolitan Government from all claims in connection with the construction and maintenance of the sign, and is required to provide a \$2 million certificate of public liability insurance with the Metropolitan Clerk naming the Metropolitan Government as an insured party. The applicant must also hold the Metropolitan Government harmless from all claims connected with the installation.

Metropolitan Government retains the right to pass resolutions or ordinances regulating the use of surrounding streets, including the right to construct and maintain utilities, and to order the relocation of facilities at the expense of GBT Realty Corporation. Metro further retains the right to repeal approval of the encroachment without liability.

Plans for the encroachment must be submitted to the Director of Public Works for approval, along with all work and materials; and the installation, when completed, must be approved by the Director.

The sign's construction must be carefully guarded and must be completed promptly, so as to cause the least inconvenience to the public.

This proposal has been approved by the Planning Commission.

RESOLUTION NO. RS2018-1000 (M. JOHNSON, HAYWOOD) – This resolution would confirm the reappointment of Marty G. Dickens to serve on the Board of Directors for the Convention Center Authority for a term beginning on January 2, 2018 and expiring on December 16, 2021.

Under Tennessee Code Annotated §7-89-108, the Convention Center Authority is to be governed by a Board of Directors of not less than seven registered voters of the municipality, to serve staggered terms. The directors are to serve without compensation, and cannot be an elected official or employee of the municipality. Such directors are appointed by the Mayor and confirmed by a resolution adopted by the Council. The Board is to be composed of members who are diverse in professional and educational background, ethnicity, race, gender, and area of residency within the municipality. At least one of the directors must be female and at least one must be a minority.

It should be noted that the recitals clause have different dates of reappointment. This is in error but no amendment is necessary as these clauses are not binding.

RESOLUTION NO. RS2018-1001 (VERCHER, ROBERTS) – See attached grant summary spreadsheet.

RESOLUTION NO. RS2018-1002 (GILMORE) – This resolution would approve a service enterprise initiative agreement between the Metro Board of Health and the Best Friends Animal Society (BFAS) to provide training and consulting for Service Enterprise Certification application to animal welfare organizations who are members of the Best Friends Network (“the program”).

This would require three main responsibilities of the Board of Health through Metro Animal Care and Control (MACC). These are as follows:

- A. Specific Obligations - MACC would agree to fully participate in and complete the training for the program. MACC would develop a team to lead the Service Enterprise transformation by participating in all training and coaching sessions, complete assignments in between training sessions, develop and implement an action plan for Service Enterprise transformation, develop a certification portfolio, and apply for Service Enterprise Certification.
- B. Reporting Requirements - MACC would fulfill all reporting requirements, including monthly reporting in Shelter Animals Count and annual statistics reports as requested.
- C. Program Branding Terms and Promotion - MACC would cooperate with BFAS regarding the promotion of the program. BFAS would have the right to issue reports or statements to its members, the media, and the public about MACC and the program. BFAS would also have the right to photograph, video, and audio record any of MACC's programs or events for identification purposes, to promote or report about BFAS events, activities, and mission, to raise donations, or for other purposes.

The agreement and forms must be returned to BFAS no later than January 20, 2018. The term of the program would be for a period of fifteen (15) months. BFAS would retain the right to immediately terminate this agreement.

RESOLUTION NO. RS2018-1008 (HAYWOOD) – This resolution would approve the election of four hundred forty-two (442) 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. BL2017-951 (S. DAVIS) – This ordinance would establish a Community Oversight Board (COB) to conduct investigations and provide citizen oversight of officers of the Metropolitan Nashville Police Department (MNDP).

The COB would be comprised of eleven members who serve staggered three year terms. Seven members would be nominated by community organizations or by private petition and approved by a majority vote of the Metro Council. Two members would be nominated by the Metro Council and approved by a majority vote of the Metro Council. Two members would be nominated by the Mayor and approved by a majority vote of the Metro Council. Current employees of any law enforcement agency, anyone who has served in a law enforcement capacity in the prior five years, any elected official, or the spouse of any of these would be ineligible to serve on the COB. COB members would be unpaid volunteers, but could be compensated for exceptional financial hardships imposed by their COB duties.

The COB would have the power to investigate allegations that MNDP officers have committed misconduct in violation of MNDP policy or criminal misconduct. The COB would be authorized to conduct investigations, including accessing MNDP records and interviewing MNDP staff. If there is a basis for this misconduct, the COB could refer the matter to the MNDP Office of Professional Accountability, the Davidson County Grand Jury, District Attorney, US Attorney, or other appropriate authority. The COB would be required to prepare a Resolution Report for each misconduct investigation and resolution.

The COB would be required to hold regular meetings that are open to the public. At these meetings, the COB could take various actions, including the establishment or amendment of COB rules or procedures, hiring or removal of an Executive Director, creation of special task forces for carrying COB functions, initiation or termination of misconduct investigations, holding Resolution Hearings to resolve allegations of officer misconduct, and/or approval of final Resolution Reports, Policy Advisory Reports, or the Annual Report.

At COB meetings, members of the public would be allowed to speak and express concerns relating to the Davidson County Criminal Justice system. The COB would be empowered to promulgate rules for the conduct and scheduling of these meetings.

The COB would include a staff to assist in carrying out the duties of the COB. This staff would include an Executive Director, appointed, supervised, and subject to termination directly by the COB. This Director would coordinate the administrative functions of the COB including management of COB staff, engage in public communication, and assist in carrying out COB functions such as investigations. Staff would include an Assistant Executive Director, Community Engagement Liaisons, Investigators, Legal counsel, Research Analysts, and Administrative Staff. This staff would be compensated.

In addition to these functions, the MNPDP would be required to implement policies requiring MNPDP employees to cooperate with COB investigations, as well as requiring employees to comply with non-disciplinary remedial measures implemented by the COB, such as counseling, restorative practices, or mediation. The Chief of Police or the Chief's designee would be required to provide a responsive report to the COB for each Resolution Report submitted by the COB. This report would be required to list the name of the subject officer, a brief description of the factual allegations, a listing of MNPDP policies or laws allegedly violated by the officer, MNPDP actions taken in response to the COB's findings and recommendations, a written statement explaining the reasoning if the MNPDP declined to take action in response to COB recommendations, and any additional actions taken based on the COB's report. The MNPDP would also be required to implement policies to require the Chief of Police, or the Chief's designee, to provide a written response to the COB regarding any Policy Advisory Report from the COB to specifically articulate MNPDP's position, reasons for that position, and response to the recommendations in the Policy Advisory Report.

Annual Reports would be prepared by the COB. This report would be required to include a statistical report on the COB's resolutions of allegations of MNPDP misconduct, including both a summary and detailed by the race, gender and ethnicity of the complainant. Included in the report would be the number of complaints received, investigations initiated, investigations resolved, the average number of days required to resolve a misconduct complaint, the number and percentage of complaints resolved by finding, the number of complaints resulting in referral to another authority, and the number and percentage of recommendation of reprimand, suspension, or termination. In addition, this report would include information on community engagement and input received, a listing of all Advisory Reports issued by the COB and summaries related to these reports, and a report on the COB's efforts to develop and maintain positive relationships with Davidson County's criminal justice agencies and any reciprocal efforts by those agencies.

As currently drafted, the start date for funding of this ordinance is listed as January 1, 2018, with the functions of the COB beginning no later than January 1, 2019. The first Annual Report from the COB would be due no later than December 31, 2019.

As currently drafted, this ordinance presents several legal concerns. For example, proposed section 2.44.250.G would require MNPDP officers to participate in counseling, mediation and other non-punitive measures in response to allegations of misconduct, "regardless of whether or not the officer is guilty of the alleged misconduct." While the ordinance envisions disciplinary measures being imposed by the COB, section 8.203 of the Metro Charter provides this authority to the Chief of Police. ("The chief of police shall be responsible for...discipline and good conduct of the department.") It is likely the COB could only recommend remedies to the Chief of Police, instead of requiring MNPDP officers to comply with remedial measures. Additionally, proposed section 2.44.250.D provides that the COB shall have "full access" to all MNPDP records, training sessions, recordings...including information related to pending criminal cases." Information regarding pending criminal cases is generally considered confidential and not a matter of public record. Tennessee's Rules of Criminal Procedure prohibit the release of information to non-

parties in criminal cases. This ordinance may present other due process concerns, including the questionable power of the COB to determine whether MNPB officers violated state or federal law as proposed. At a minimum, amendments to address these and other concerns, as well as to provide various clarifications, are recommended.

Fiscal Note: The Police Department has estimated their annual costs related to implementation of the proposed Community Oversight Board would be \$386,000. This includes \$364,000 related to 312/313/313A, UOF, and Pursuits based on the number of investigations in 2016 (1,772 investigations). The remaining \$22,000 is their estimate of the annual costs related to Office of Professional Accountability investigations based on the number of investigations in 2016 (64 investigations).

In addition to this, there would be additional unbudgeted operational costs related to any staffing needed to support the Board. In addition to their salaries and fringe benefits, there would be ancillary costs for items such as office supplies, computers, etc. to establish a new office. There have been no decisions made yet concerning the number of employees and the job classifications that would be needed.

BILL NO. BL2017-1031 (ELROD, GILMORE, & OTHERS) – This ordinance would adopt for referendum a public transit program, as well as a surcharge to fund the program, and further request the Davidson County Election Commission to call a referendum election on May 1, 2018 to approve the proposed transit program and surcharge. The following analysis summarizes the state enabling legislation that allows for local transit program funding, the required content of -- and procedures for considering – the current ordinance, and the referendum election mandated by the state legislation.

State enabling legislation -- Tennessee's IMPROVE Act

In April 2017, the Tennessee General Assembly approved the IMPROVE Act (“Improving Manufacturing, Public Roads and Opportunities for a Vibrant Economy”), formally known as Public Chapter 181. This Act increased taxes on gasoline and diesel fuel, while decreasing various other taxes, for purposes of updating Tennessee’s transportation infrastructure. The Act further included enabling legislation allowing local governments to approve tax surcharges to fund transit projects, subject to voter approval. This enabling legislation, codified at Tenn. Code Ann. § 67-4-3201, *et seq.*, gives rise to the current ordinance.

The IMPROVE Act authorized local governments to levy a surcharge (a tax or combination of taxes) on certain pre-existing local privilege taxes and to use the resulting revenues for public transit system projects that are part of an overall transit improvement program. The specific privilege taxes subject to surcharge are: (1) local option sales and use tax, (2) business tax, (3) motor vehicle tax, (4) local rental car tax, (5) tourist accommodation tax, and (6) residential development tax. Any applied surcharge constitutes a separate charge from pre-existing local taxes.

However, under the IMPROVE Act, surcharges cannot be levied on these privileges unless first approved by a majority of the local government's registered voters who vote in an election regarding such surcharges.

Surcharge limits, amounts, and exemptions

Any allowed surcharge is subject to certain maximum rates and amounts under Tenn. Code Ann. § 67-4-3202(g). For example, any surcharge on the local option sales and use taxes cannot separately exceed the established maximum rate for such tax. No combination of tourist accommodation taxes or fees, hotel occupancy taxes, local tourism development zone business taxes, state sales and use taxes, local option sales and use taxes, or surcharges on any combination of these taxes can exceed a combined rate of 20% on hotels, motels, or other tourist accommodations. No surcharge can be applied to a business tax, local rental car tax, or residential development tax that would separately exceed 20% of the current applicable rate of the business tax, local rental car tax, or residential development tax. And no combination of a motor vehicle tax plus the surcharge on that tax can exceed a combined total of \$200 on any person subject to such taxes and surcharges.

The ordinance under consideration proposes surcharges within these limits as follows:

- (1) a sales tax surcharge of 0.5% for the first five years, increasing to 1% in 2023;
- (2) a hotel/motel tax surcharge of 0.25% for the first five years, increasing to 0.375% in 2023;
- (3) a 20% surcharge on the business/excise tax; and
- (4) a 20% surcharge on the rental car tax.

The state legislation establishes certain exemptions from surcharge levies. While surcharges may be placed on local option sales and use taxes, the surcharge can apply only to the first \$1,600 on the sale or use of any single article of personal property. Surcharges may not apply to dealers with no location in Tennessee who pay local sales taxes. And Tenn. Code Ann. § 67-4-3204 exempts the following goods and services from the surcharge on local option sales and use taxes:

- (1) water sold to or used by manufacturers and taxed at the state rate;
- (2) sales of tangible personal property to a common carrier for use outside the state;
- (3) video programming for television, cable, and internet services;
- (4) telecommunication services;
- (5) electronically transferred digital audio-visual works, digital audio works, and digital books ("specified digital products"); and
- (6) sales of tangible personal property when obtained from any vending machine or device and taxed at the local rate of 2.25%.

Uses of surcharge revenues

Under Tenn. Code Ann. § 67-4-3205, revenues raised from approved surcharges must be used for costs associated with the planning, engineering, development, construction, implementation, administration, management, operation, and maintenance of the proposed transit system projects. The surcharge revenues can be combined with other funding from local, state, or federal programs and can also be used to match state funds and federal grants. Additionally, the revenue could be combined with private moneys and used to provide the local government's share of costs associated with a public-private initiative; or pledged to the payment of bonds issued for the purpose of financing the program.

Surcharge revenues can be directed or transferred to certain implementing agencies to carry out the transit improvement program. (In this instance, the ordinance identifies the Metropolitan Transit Authority and the Department of Public Works as the implementing agencies.)

If the program or project becomes unfeasible or impossible to implement, state law allows the surcharge revenues to be directed to a separate transit program or project approved by the Metro Council or by registered voters in an election.

The required program and plan of financing

Before any surcharge can be imposed, a transit improvement program must be developed and adopted in accordance with prescribed steps. The program must describe in "reasonable detail" the transit system projects and services to be funded and implemented. The program must specifically state:

- (1) the type and rate of surcharge that will provide funding;
- (2) the surcharge termination date or the conditions which will terminate or reduce it;
- (3) any other sources of funding for the program;
- (4) an estimate of the initial and recurring cost of the program;
- (5) the implementing agencies responsible for carrying out the program; and
- (6) the geographic location of the public transit system projects.

Per state legislation, prior to adoption of the program, the Metropolitan Government must:

- (1) solicit public comment;
- (2) make reasonable efforts to notify or coordinate with other surrounding local governments;
and
- (3) prepare a "plan of financing" that demonstrates the program's financial feasibility, including the methodology and assumptions used in the forecasts and projections.

The plan of financing must also include the amount of the program's infrastructure to be financed through issuance of bonds or other debt. (Here, as set forth in the Fiscal Note below, the plan of financing includes long-term financing through bonds and/or public-private

partnerships representing 34% of the funding.) The plan of financing analysis must be based on forecasts and projections for at least a 10-year period following the planned inception date.

The proposed Program

The ordinance under consideration provides a 231-word summary of the transit improvement program (“the Program”) describing the proposed projects and services, their geographic locations, proposed surcharges, conditions of termination, implementing agencies, other sources of funding, and a summary of the initial and recurring costs. (As set forth more fully in the Fiscal Note below, the capital cost of the Program is estimated at \$5,354,000,000 in present day value, with recurring operations and maintenance costs of approximately \$99,500,000 in present day value as of the year improvements are completed).

The proposed Program itself is submitted as Exhibit A to the ordinance – a 55-page document entitled “Let’s Move Nashville: Metro’s Transportation Solution.” As described in the “Transit Improvement Program Summary” (page 5), specific elements of the Program include:

1. Light rail transit, or equivalent service, along five corridors (Northwest corridor, Gallatin Pike, Murfreesboro Pike, Nolensville Pike and Charlotte Avenue). The Program provides separate descriptions of each corridor;
2. Rapid bus routes to Bordeaux, along Dickerson Pike to Briley Parkway, along Hillsboro Pike to the Mall at Green Hills, and along West End to White Bridge Road and to Charlotte;
3. A frequent transit bus network (providing 15 minute or better peak service on the busiest bus routes and longer hours of service);
4. Neighborhood transit centers in 19 separate locations served by two or more bus routes, featuring bike-share, digital wayfinding, real-time information, and improved pedestrian connections);
5. Improved commuter rail service with improvements to the Music City Star rail line, longer hours of service, installation of Positive Train Control (PTC) and enhanced frequencies;
6. Downtown improvements, such as a transit tunnel for direct connection of a multimodal transit center in SoBro, an LRT transit station near 5th & Broad and the existing transit center, Music City Central.
7. Expanded AccessRide and mobility on demand services with increased access in multiple areas, real-time information, call-ahead service and same-day schedule availability, and integrated connections; and
8. Crosstown routes that include four new routes on Trinity Lane, Edgehill Avenue, Bell Road, and the Airport-Opry Mills Connector, as well as connected activity centers and neighborhoods outside downtown that require no transfer.

The Program further includes multiple enhancements to existing MTA bus system services, including easier-to-use services, and improvements to transit access. It proposes free or reduced fares for Nashvillians who are living at or below the poverty level, living with disabilities, senior citizens, or under age 18. By connecting multiple areas of Nashville using multimodal

systems, the Program intends to provide an alternative to conventional vehicles on the road and their associated traffic patterns and congestion, thereby improving mobility, safety, quality of life, and health. The Program further endeavors to compliment affordable housing policies and create significant employment opportunities. It estimates total capital investment at \$5.4 billion (in 2017 dollars) spent over 15 years, creating approximately 45,000 jobs (defined as full- or part-time jobs lasting one year) resulting in approximately \$3.1 billion in labor income in Davidson County over the 15 year period.

The Program projects completion of capital improvements in 2032 and estimates that by 2040 76% of all Davidson County residents and 89% of all Davidson County jobs will be located within ½ mile of planned transit improvements.

Required review by independent certified public accounting firm

The state legislation requires local governments to obtain a determination or opinion from an independent certified public accounting firm stating that the assumptions in the local government's plan of financing provide a reasonable basis for its forecasts or projections. Prior to obtaining that determination or opinion, the local government must obtain approval from the Tennessee Comptroller of the Treasury for the selection of the firm and the procedures to be used by the firm in making the determination or opinion.

In this instance, the Tennessee Comptroller previously approved the selection of Kraft CPAs, and that firm issued a letter on December 15, 2017 declaring the feasibility of the financing plan for the proposed program. Following this determination / opinion, state legislation requires that it be published in its entirety, along with the plan of financing, on the Metropolitan Government's website.

Process before the Metro Council

Per state law, the ordinance must contain a brief summary of the transit improvement program for which the proposed surcharge revenue will be used, written in a clear and coherent manner, not exceeding 250 words. It must describe the projects and services to be funded and implemented and, as noted, must provide the following:

- (1) the type and rate of surcharge that will provide funding;
- (2) the surcharge termination date or the conditions that will terminate or reduce it; any other sources of funding for the program;
- (3) an estimate of the initial and recurring cost of the program;
- (4) the implementing agencies responsible for carrying out the program; and
- (5) the geographic location of the projects.

Per state law, Ordinance No. BL2017-1031 shall be adopted if passed by majority vote of the Metro Council. If adopted, a copy of the ordinance must then be provided to the Tennessee Department of Revenue before the referendum election.

Referendum election

As noted above, state legislation provides that surcharges cannot be levied unless and until approved by a majority of the local government's registered voters who vote in an election regarding such surcharges.

Here, if the ordinance is adopted by the Metro Council, a certified copy of the ordinance would then be sent to the Davidson County Election Commission with a request to hold a referendum election on May 1, 2018 to approve or reject the surcharge levy. (Assuming each prerequisite step is completed, the Election Commission would be directed by state law to call such an election.)

The ballots used in the referendum election must have printed upon them (1) the proposed surcharge, (2) a brief summary of the program as it appeared in the Council-approved ordinance, and (3) options to vote "for" or "against" the ordinance levying the surcharge.

Post-referendum election process

At the referendum election, if approved by a majority of the registered voters who vote in that election, the ordinance would be deemed approved. But if the election results in the rejection of the levy of the surcharge, a subsequent election regarding a similar surcharge cannot be held for at least twelve (12) months from the date of the election.

In the event of voter rejection of the surcharge, no further action would be required. In the event of approval, state law would next require the Metropolitan Government to furnish a certified copy of the adopted ordinance to the Tennessee Department of Revenue within ten (10) days of the approval. But no surcharge could be collected until the first day of a month occurring at least 60 days after approval date. Any surcharge would then apply only to tax periods beginning on or after October 1, 2017.

The subsequent financing and operations of a transit improvement program must be accounted for in a manner approved by the Tennessee Comptroller of the Treasury in conformity with generally accepted accounting principles. The Comptroller would retain the authority to audit the revenues and expenditures of the program, its financing or operations, and to charge a reasonable fee for its services.

Any approved surcharge would remain in effect until either (a) the date specified within the ordinance, (b) the occurrence of a "condition of termination" described in the ordinance, or (c) such surcharge is repealed in the same manner as adopted. In this instance, the ordinance does not specify a termination date, but rather a "condition of termination" wherein the surcharge would end "once all debt issued for the program has been paid and the Metropolitan Council determines upon the adoption of a resolution that the revenues from the surcharges are no longer needed for operation of the program."

Fiscal Note: Wilmot Inc. was hired to prepare economic impact analysis of the various components of the entire Program. According to their study, they estimate that it would take \$4.362 billion in capital costs between the Project design and construction period of 2018 through 2032 to build the Light Rail Transit (LRT) Corridor Transit System, which includes LRT, Commuter Rail improvements, a Downtown Tunnel and O&M facilities. However, this would result in \$5.902 billion in total economic impact to the Davidson County region, consisting of labor income and value added.

The necessary capital improvements for the bus improvements portion of the overall plan would not be as expensive, costing \$992 million in capital costs during the same Project design and construction period of 2018-2032. This would be projected to result in a net economic impact to the Davidson County region of \$1.092 billion in labor income and value added.

Paying for these improvements and their operations and maintenance would only be possible by the new local surcharges authorized for transit by the IMPROVE Act of April, 2017. The Project would be funded in part by increases to four surcharges, as follows:

- 1. The Local Option Sales Tax (LOST) in Davidson County is currently set at 2.25%. This is on top of the base rate of 7% for the state. The Council currently has the authority to increase this to as much as 2.75%. At least one-half of the entire LOST revenue must be allocated to public education. The IMPROVE Act has now authorized Metro to increase LOST by as much as an additional 2.25% for transit purposes. The Project does not propose to increase LOST by this much. Instead, it would increase by 0.5% (2.75% total) during the period of September 1, 2018 through December 31, 2022. After that, it would increase by an additional 0.5% (3.25% total) and remain at that level unless changed by some future Council.*
- 2. The Hotel Occupancy Tax is currently set at 6%, plus an additional \$2.50 per night additional occupancy tax. The IMPROVE Act authorized an increase in the current rate by as much as 20%, which would allow Davidson County to charge an additional 1.25%. Again, the Project does not propose to use this entire additional capacity. Instead, an additional 0.25% (6.25% total) would be charged during the period of July 1, 2018 through December 31, 2022. After that, it would increase by an additional 0.125% (6.375% total) and remain at that level unless changed by some future Council.*
- 3. The Business Tax currently ranges from 0.02% to 0.3% of gross income in Davidson County, depending on the classification of the business. The current average paid for this tax is \$1,673 per year. The Improve Act authorized as much as a 20% increase in this tax. The Project proposes to increase the Business Tax by this full 20% starting January 1, 2019.*

4. *The Local Rental Car Tax is currently set at 1%. The IMPROVE Act authorized as much as a 20% increase in this rate, which would mean an additional 0.2% for Davidson County. The Project proposes to increase the Local Rental Car Tax by this full amount starting July 1, 2018.*

Long-Term Financing is also addressed by the Project in five main areas, as follows:

1. *Up to \$500 million in federal financing would be sought through the Transportation Infrastructure Finance and Innovation Act (TIFIA) program, representing approximately 6% of the funding through the design and construction period. The TIFIA Program provides Federal credit assistance to eligible surface transportation projects, including highway, transit, intercity passenger rail, some types of freight rail, intermodal freight transfer facilities, and some modifications inside a port terminal.*

There are three distinct types of financial assistance available:

- a) *Secured direct Federal loans to project sponsors offering flexible repayment terms and providing combined construction and permanent financing of capital costs*
 - b) *Loan guarantees that provide full-faith-and-credit guarantees by the Federal Government, and*
 - c) *Lines of credit that are contingent sources of funding in the form of Federal loans that may be drawn upon to supplement project revenues, if needed, during the first 10 years of project operations. [23 U.S.C. 603 and 604].*
2. *Bonds and/or public-private partnerships, representing approximately 34% of the funding through the design and construction period.*
 3. *Federal Support, consisting of combined federal funding of \$1.5 billion from the Capital Investment Grant (CIG) Program and formula grants. The Project assumes CIG grant awards would cover approximately 25% of the total costs during the design and construction period.*
 4. *Farebox recovery rates for the ADA and high-capacity corridor services are anticipated to generate approximately \$192 million, which would be approximately 2% of the sources during the design and construction period.*
 5. *Other revenues, including funding from the Airport, Music City Center, and investment income. For example, the Murfreesboro LRT line to the airport would be projected to receive \$200 million in funding from the airport. The total funding from this final group would generate approximately 3% of the sources during the design and construction period.*

The Wilmot analysis addressed the potential benefits of the Project as well as the costs. Capital investment totals (in 2017 dollars) would be expected to be \$5.354 billion over 14 years. A total of 44,753 local job equivalents (one person in a job for one year) would be created, associated with more than \$3.112 billion in labor income in Davidson County. This is projected to create an increase of \$4.016 billion to the Gross Regional Product (GRP). Spending for operations and maintenance would include \$541 million for bus system improvements and \$148 million for LRT between 2018 to 2032. This would support 9,136 local job equivalents (calculated prior to extending the Charlotte line to White Bridge Road).

The total economic impacts would be projected to be \$5,354 billion (2017 dollars) over the 14 years of capital investment, related to 44,753 local job equivalents and \$3.112 billion in labor income. The increase for the gross regional product would be \$4.016 billion.

For reference, three sources utilized by the Transit Improvement Program are attached to this analysis. These include the following:

- 1. Plan of Finance Overview – Discusses the various revenue sources that are planned to be used to fund the Project,*
- 2. Financing Plan Assumptions – Summarizing the assumptions that were used during the preparation of the Project, and*
- 3. Detailed Cash Flows.*

BILL NO. BL2017-1032 (ROBERTS) – This ordinance would amend Section 7.08.040 of the Metropolitan Code of Laws regarding beer permit application requirements and conditions. Currently, Metro Code Section 7.08.040.A requires the owner of a business desiring to sell, distribute, manufacture of store beer within the Metro area to file, in person, a written application with the Metropolitan Beer Permit Board.

The ordinance under consideration would allow the owner of a business desiring to sell, distribute, manufacture of store beer within the Metro area to file an application in person or by any method deemed acceptable by the Metropolitan Beer Permit Board.

BILL NO. BL2017-1033 (O'CONNELL, BEDNE, & ELROD) – This ordinance would authorize Spectrum Properties/Emery, LLC (Spectrum) to install, construct, and maintain underground encroachments in the right-of-way located at 818 18th Avenue South. These would consist of irrigation devices, including high-efficiency weather-based controllers, encroaching the right-of-way.

Spectrum 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 with the Metropolitan Clerk naming the Metropolitan Government as an insured party.

This proposal has been approved by the Planning Commission.

BILL NO. BL2017-1034 (PULLEY, BEDNE, & ELROD) – This ordinance would authorize the acquisition of certain permanent and temporary easements by negotiation for the Valley Brook Road Stormwater Improvement Project for property located along 3421 Valley Brook Road.

Future amendments to this ordinance may be approved by resolution.

This has been approved by the Planning Commission.

BILL NO. BL2017-1035 (SYRACUSE, BEDNE, & ELROD) – This ordinance would abandon existing sewer main and easements and to accept new water main, a fire hydrant, a manhole and any associated easements, for properties located at 720, 724, and 728 Ermac Drive.

Future amendments to this ordinance may be approved by resolution.

This has been approved by the Planning Commission.

BILL NO. BL2017-1036 (HAYWOOD, BEDNE, & ELROD) – This ordinance would authorize the negotiation and acceptance of permanent and temporary easements for the Brick Church Pike Stormwater Improvement Project for property located at 4941 Brick Church Pike.

Future amendments to this ordinance may be approved by resolution.

This has been approved by the Planning Commission.

BILL NO. BL2017-1037 (VANREECE, BEDNE, & ELROD) – This ordinance would abandon an existing sanitary sewer main and sanitary sewer manhole and easements and would accept a new sanitary sewer main and sanitary manholes and easements for properties located at 903 and 905 Curdwood Boulevard.

Future amendments to this ordinance may be approved by resolution.

This has been approved by the Planning Commission.

– ORDINANCES ON THIRD READING –

BILL NO. BL2017-608 (HAGAR, RHOTEN, & OTHERS) – This ordinance would make multiple changes to the Metro Code of Laws (MCL) concerning Short-Term Rental Property (STRP) regulations. It is anticipated that the sponsor will defer this ordinance to the January 16, 2018 meeting of Council.

In its most significant provisions, the ordinance as amended would establish two STRP uses: (1) STRP (owner-occupied) – an accessory use to residential uses; and (2) STRP (not owner-occupied) – a commercial use permitted with conditions in zoning districts where multi-family residential uses are allowed (RM2 through RM20-A, RM40 through RM100-A, MUN and MUN-A, MUL and MUL-A, MUG and MUG-A, MUI and MUI-A, OG, OR20 through OR40-A, ORI and ORI-A, CN and CN-A, CL and CL-A, CS and CS-A, CA, CF, DTC North, DTC South, DTC-West, DTC Central, SCN, SCC and SCR). STRPs that are not owner-occupied would be prohibited in AG, AR2a, R, R-A, RS and RS-A districts. Additionally, the ordinance would allow properly issued and maintained permits issued under previous regulations to be renewed, but only until a phase-out date of June 28, 2020.

Additional changes made under the ordinance are as follows:

- Section 1 would amend the STRP definition in Section 17.04.060 of the MCL, and would specify that STRPs must contain no more than four (4) sleeping rooms, (for both owner-occupied and not owner-occupied.) “Owner-occupied” would be defined to require the owner to be a natural person or persons, as opposed to a limited liability entity (e.g., a corporation or LLC) or unincorporated entity (e.g., partnership, joint venture, or trust).
- Section 2 would modify the district land use tables per Section 17.08.030 of the MCL by deleting STRPs.
- Section 3 would further modify the district land use tables by adding owner-occupied STRPs as an accessory use.
- Section 4 would further modify the district land use tables by adding not owner-occupied STRPs as a use permitted with conditions.
- Section 5 of the ordinance would modify the title of Section 17.16.250.E of the MCL, presently titled “Short Term Rental Property (STRP)”, to “Short term rental property (STRP) — Owner-Occupied”.
- Section 6 would replace Subsection 17.16.250.E.1 in the MCL with similar provisions regarding permit requirements.
- Section 7 would add a new subsection to Section 17.16.070 of the MCL establishing regulations for STRPs that are not owner-occupied. As amended, Section 7 would further clarify that revoked STRP permits may not be reissued for a period of one year from the date of revocation.

This ordinance was originally introduced February 7, 2017 and has been deferred six (6) times. However, under Rule 23 of the Council Rules of Procedure, ordinances affecting zoning under Title 17 are not indefinitely deferred upon the third deferral thereof.

BILL NO. BL2017-953 (WITHERS) – Chapter 6.64 of the Metro Code of Laws (MCL) provides various regulations regarding commercial solicitation.

As amended, the ordinance under consideration would create a new Section 6.64.035 to prohibit door-to-door commercial solicitation (a) before sunrise, or (b) after sunset or 7:00 pm, whichever occurs later.

A previous substitute introduced November 21, 2017 further altered eligibility requirements for commercial solicitation permits and identification badges. However, a subsequent amendment introduced December 19, 2017 restored the language of the current Metro Code.

BILL NO. BL2017-983 (A. DAVIS, BEDNE, & OTHERS) – This ordinance would amend Section 2.210.030 of the Metropolitan Code of Laws (MCL) pertaining to economic and community development incentive grants and payment in lieu of taxes (PILOT) incentives.

Section 2.210.030 currently requires that economic and community development incentive grant agreements must be approved by a vote of 21 members of the Metropolitan Council. In addition, these grant agreements must provide that the Metro Government's financial obligations are subject to the annual appropriation of funds by the Council.

As amended, the ordinance under consideration would retain these requirements regarding economic and community development grant agreements and amend the section to also apply to agreements for PILOT incentives. In addition, companies seeking either economic and community grants or PILOT incentives would be required to submit a project proposal that includes certain information. Specifically, project proposals would be required to address the following:

(1) The type and number of jobs that would be created by the company, including whether the jobs are temporary or permanent, and how many identified jobs will be filled by Davidson County residents;

(2) The establishment of a workforce plan disclosing whether temporary or staffing agencies, the Nashville Career Advancement Center, or other third parties would be used to identify, recruit, or refer job applicants, whether the individuals hired for the identified jobs would be employed by the company, subcontractors, or other third parties, and the wages and benefits offered for the identified jobs, along with comparisons to average wage levels for comparable jobs in Davidson County;

(3) Whether the project would use apprentices from programs certified by the U.S. Department of Labor; and

(4) The number and type, within the preceding seven (7) years), of OSHA or TOSHA violations, or employment or wage-related legal actions filed within federal or state courts against the company or any contractor or subcontractor of the company retained on the qualified project.

The Mayor's Office of Economic and Community Development (ECD) would be required to present the project proposals to the Metro Council prior to the Council's vote on the incentive and related agreement. The project proposal would then be incorporated into the agreement. The ECD would then be required to present this information in any report required to be submitted to the Metro Council under its workforce development program pursuant to Chapter 2.211 of the MCL.

Companies receiving a grant or PILOT would also be required to submit quarterly reports demonstrating compliance with the agreement to the ECD. Annually, the ECD would be required to submit a report to the Council relaying compliance data (consistent with Section 2.190.010). With respect to grants, if a report shows noncompliance with the agreement, the Council would have the authority to prospectively suspend an incentive or terminate an incentive agreement upon a vote of at least 21 members.

BILL NO. BL2017-984 (HAGAR & VERCHER) – This ordinance would approve an increase in towing and recovery rates in Section 6.80.550 in the Metro Code of Laws (MCL).

These changes would be in recognition of the fact that business expenses for equipment, insurance, taxes, and fuel have increased since the rates were last set in 2012. The Transportation Licensing Commission approved an increase in the wrecker and towing services rates on June 22, 2017.

An attachment to this Analysis compares the rates under the current ordinance and the proposed rates, as amended. In addition to the increased rates, this ordinance would remove the fees charged for "Driven vehicles" under Section 6.80.550.B.1 of the MCL. Additionally, the relevant length of a recreational vehicle for the purposes of determining the fee would be changed from twenty-six (26) feet to twenty-five (25) feet. Also, a new fee of fifty dollars (\$50) would be allowed for any winching performed over 50 feet from the roadway.

The ordinance would also remove a \$25 fee authorized for vehicles stored on a company lot for 10 days. In its place, there would be a new one-time \$35 fee authorized for any car remaining in storage on a company lot for 24 hours and a \$25 administration processing fee for each additional notification sent to the owner or lienholder as required by law. Wrecker companies would be authorized to charge a one-time fee of \$40 for materials and labor associated with wrapping a salvaged vehicle to protect interiors.

An amendment was added at the December 19, 2017 meeting which increased some of the proposed fees and removed some erroneous language. The attachment to this Analysis reflects the proposed rates as amended.

Future amendments to this ordinance may be approved by Council resolution.

Fiscal Note: These changes will have no financial impact on Metro Government. The only changes are to the rates that can be charged by towing companies.

BILL NO. BL2017-1006 (DOWELL, VERCHER, & OTHERS) – This ordinance would authorize the Director of Public Property Administration to accept a donation of real property located at the intersection of Blue Hole Road and Bell Road. This property would be used as part of the parks system.

This property is owned by Greenways for Nashville Inc. It has been determined to be suitable for use as a public park.

This has been approved by the Board of Parks and Recreation as well as the Planning Commission.

BILL NO. BL2017-1007 (VANREECE, VERCHER, & OTHERS) – This ordinance would approve a lease agreement between the Metropolitan Government of Nashville and Davidson County and the Electric Power Board of Metro (NES) to construct a community solar array at 801 Old Due West Avenue, commonly known as the Old Due West Landfill.

The parcel consists of 35 acres, including approximately 10 acres of usable space for the solar array. The lease term of the agreement is twenty-five (25) years from the commencement date. This term may be extended by amendment to the agreement. Metro would agree to lease to NES the use of the property without payment for the initial 25 year term. The lease may be terminated at any time upon mutual agreement of the parties. NES is authorized to use the property solely for the solar array.

The solar array, referred to in the agreement as “Music City Solar,” is part of the Tennessee Valley Authority’s Distributed Solar Solutions initiative that offers distribution-scale solar power. It is anticipated that this solar array will produce an estimated 55 million kilowatt-hours over the life of the system.

NES understands that Metro is proposing to sell a parcel adjacent to the array parcel to a third party. In the underlying agreement, Metro agrees that no building, improvement, tree, or landscaping located thereon shall be built on the adjacent parcel such that it casts a shadow on the leased property greater than the shadow cast by a hypothetical vertical wall five (5) feet high located along the property line between the hours of 5:00 AM and 8:30 PM CST.

This has been approved by the Planning Commission on the condition that the Bashaw Cemetery, also on this property, will remain protected with interpretive signage to be erected at a future date.

Fiscal Note: In recognition of the benefit that Music City Solar would provide for the residents of Metro, the lease would be provided at no cost to NES.

BILL NO. BL2017-1008 (FREEMAN, VERCHER, & 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 use in public projects, initially for Hartford Drive Sidewalk Improvements.

This has been approved by the Planning Commission.

Fiscal Note: The price to be paid for the easements and property rights has not yet been determined. This would be paid from the FY17 Capital Projects Fund.

BILL NO. BL2017-1009 (MURPHY, VERCHER, & 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 use in public projects, initially for 37th Avenue North Sidewalk Improvements.

This has been approved by the Planning Commission.

Fiscal Note: The price to be paid for the easements and property rights has not yet been determined. This would be paid from the FY17 Capital Projects Fund.

BILL NO. BL2017-1010 (VERCHER, BEDNE, & ELROD) – 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 use in public projects, initially for Edge O Lake Drive Sidewalk Improvements.

This has been approved by the Planning Commission.

Fiscal Note: The price to be paid for the easements and property rights has not yet been determined. This would be paid from the FY18 Capital Projects Fund.

BILL NO. BL2017-1011 (PRIDEMORE, BEDNE, & ELROD) – This ordinance would authorize the negotiation and acceptance of permanent and temporary easements for the Neely's Bend Road Stormwater Improvement Project for eleven (11) properties located along Brentmeadow Circle, Chesterfield Circle, Neely's Bend Circle, and Neely's Bend Road.

Future amendments to this ordinance may be approved by resolution.

This has been approved by the Planning Commission.

BILL NO. BL2017-1012 (HAYWOOD, BEDNE, & ELROD) – This ordinance would authorize the negotiation and acceptance of permanent and temporary easements for the Simpkins Road Stormwater Improvement Project for four (4) properties located at 5301, 5302, 5309, and 5340 Simpkins Road.

Future amendments to this ordinance may be approved by resolution.

This has been approved by the Planning Commission.

BILL NO. BL2017-1013 (KINDALL, BEDNE, & ELROD) – This ordinance would authorize the negotiation and acceptance of permanent and temporary easements for the Knowles Street Stormwater Improvement Project for two (2) properties located at 1802 Knowles Street and 1411 Dr. DB Todd Jr. Boulevard.

Future amendments to this ordinance may be approved by resolution.

This has been approved by the Planning Commission.

BILL NO. BL2017-1014 (SYRACUSE, BEDNE, & ELROD) – This ordinance would authorize the negotiation and acceptance of permanent and temporary easements for the Woodberry Drive Stormwater Improvement Project for six (6) properties located at 316, 318, and 322 Woodberry Drive, 2300 and 2301 Cloverdale Road, and Whipple Place (unnumbered).

Future amendments to this ordinance may be approved by resolution.

This has been approved by the Planning Commission.

GRANTS AND DONATIONS LEGISLATION – JANUARY 2, 2018

Legislative Number	Parties	Amount	Local Cash Match	Term	Purpose
RS2018-1001	<p>From: Tennessee Emergency Management Fund</p> <p>To: Office of Emergency Management</p>	Not to exceed \$173,154	\$0	September 1, 2017 through April 30, 2020	The Homeland Security Grant would fund costs related to homeland security preparedness activities.

- Madison Discussion: Fifty-Forward Madison - Tuesday, November 28; 5:30 p.m. -7:30 p.m.
- Bellevue Discussion: Bellevue Middle School - Thursday, November 30; 5:30 p.m. -7:30 p.m.
- West Nashville Discussion: West Police Precinct - Wednesday, December 6; 5:30 p.m. - 7:30 p.m.⁶
- Donelson Discussion: Fifty-Forward Donelson - Thursday, December 7; 5:30 p.m. -7:30 p.m.⁶
- Antioch Discussion: Southeast Community Center - Saturday, December 9; 10:00 a.m. - 12:00 p.m.⁶

Plan of Finance Overview

The Let’s Move Nashville Program will be funded by a combination of new voter-approved local surcharges, federal grants and loans, long-term financing, fares, and other revenues. These surcharges will terminate on December 31, 2068.

Local Option Transit Surcharges

The IMPROVE Act – signed into law by Governor Bill Haslam in April 2017 – provided Nashville and other local governments with the option to levy additional local surcharges specifically for transit purposes. The Program will be funded in part by newly authorized surcharges on: the local option sales and use tax, hotel occupancy tax, business tax, and local rental car tax. The surcharges require local voter referendum approval, anticipated on May 1, 2018, with revenue collections beginning mid-2018. Nashville must receive majority approval from the Metropolitan Council to add the referendum to the primary ballot.

Table 16 summarizes the total capital costs for implementation years 2018 - 2032 and the first full year of service (2032) operating costs of the Program are in today’s dollars (2017).

However, a number of factors might increase the costs of the program over time. The actual capital and operating costs incurred will increase with inflation and are expressed as year of expenditure (YOE) dollars. Additionally, the annual operating costs will be incurred year-over-year for the duration of the Plan of Finance. Financing the construction cost also increases the total cost of the Program (similar to the way one would pay interest on a loan to purchase a home). These factors, together with the sources and uses of funds, are described in detail in the Plan of Finance located in the Appendix.

The Metro Council must approve by ordinance the language of the referendum placing the sucharges and Program on the ballot.

Local Option Sales and Use Tax

Prior to the passage of the IMPROVE Act, Tennessee levied a 7 percent state sales tax and authorized counties to assess an optional 2.75 percent local sales tax with the requirement that half of the local option revenues be dedicated to public education. Davidson County, which includes the City of Nashville, currently levies a 9.25 percent tax, including a 7 percent state sales tax and 2.25 percent local option sales tax. In 2017, the IMPROVE Act authorized counties to levy up to a 100 percent increase in the existing local option sales tax for transit purposes, allowing Davidson County to levy up to an additional 2.25 percent in local option sales taxes for transit purposes.

The Plan of Finance assumes an incremental increase of the local option sales tax. Specifically, the Program will be funded in part by a proposed 0.5 percent local sales tax increase for the period from August 1, 2018 through December 31, 2022, and will increase an additional 0.5 percent local sales tax on January 1, 2023, for a total of 1 percent thereafter.

⁶ Scheduled meetings

Table 16. Summary of Capital and Operating Costs for 2018 to 2032

Bus System Improvements	Mode	Total Capital Cost (2018 to 2032)	Annual Operating Cost (2032)
		2017 \$M	
Make Service Easier To Use	Bus	\$29	\$0.9
Improve Existing System	Bus	\$288	\$35.4
Improve Access to Transit	Bus	\$9	\$9.3
Make Service More Comfortable	Bus	\$83	\$0.1
Develop a Network of Regional Transit Centers	Bus	\$145	\$1.0
Bordeaux	Rapid Bus	\$59	Included in Improve Existing System Operating Costs
West End	Rapid Bus	\$62	
Hillsboro	Rapid Bus	\$48	
Dickerson	Rapid Bus	\$65	
Reduction of Existing MTA Subsidy	Other	\$90	NA
Low-Income Subsidy	Other	NA	\$2.5
Other Transportation Improvements	Other	\$114	NA
Subtotal		\$992	\$49.2

Rail Corridors	Mode	Total Capital Cost (2018 to 2032)	Annual Operating Cost (2032)
		2017 \$M	
Gallatin Pike	LRT	\$789	\$8.8
Northwest Corridor	LRT	\$252	\$7.1
Charlotte Avenue	LRT	\$697	\$7.2
Murfreesboro Pike	LRT	\$828	\$11.4
Nolensville Pike	LRT	\$666	\$8.5*
Downtown Tunnel	LRT & Rapid Bus	\$936	\$3.3
O&M Facility - Primary	LRT	\$100	NA
O&M Facility - Secondary	LRT	\$64	NA
Music City Star	Commuter Rail	\$30	\$4.0
Subtotal		\$4,362	\$50.3
Grand Total		\$5,354	\$99.5

Note: Numbers may not add due to rounding.

*Nolensville Pike LRT will open in 2032 with its first full year of operating costs occurring in 2033. A full year of operating cost is shown here to better represent ongoing operations and maintenance costs.

In terms of the potential impact on individuals, a resident or visitor purchasing \$100 worth of taxable goods within Davidson County would pay an additional 50 cents in sales tax from August 1, 2018 through December 31, 2022, and a total of \$1 in additional sales tax from January 1, 2023 and thereafter. According to the Nashville Area Chamber of Commerce, Davidson County receives nearly \$6 billion annually in direct visitor/tourist spending.

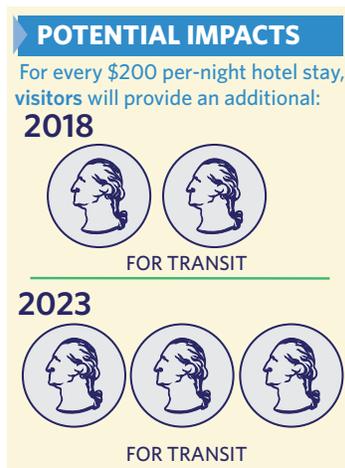


The Chamber of Commerce estimates that approximately 47 percent of all sales tax collected in Davidson County is from visitors, tourists, or out-of-county residents.

Hotel Occupancy Tax

Prior to the passage of the IMPROVE Act, Davidson County levied a maximum 6 percent hotel occupancy tax plus a \$2.50-per-night additional occupancy tax. The IMPROVE Act authorized up to a 20 percent increase in the existing local hotel occupancy tax, allowing Davidson County to levy up to an additional 1.2 percent in local hotel occupancy taxes for transit purposes.

Similar to the local option sales and use tax, the Plan of Finance assumes an incremental ramp-up of local hotel occupancy taxes. The Program will be funded in part by



a proposed 0.25 percent local hotel occupancy privilege tax increase from July 1, 2018 through December 31, 2022, and a 0.375 percent increase from January 1, 2023 and thereafter.

In terms of the potential impact on individuals, a person spending \$200 for a room in a Davidson County hotel would pay an additional 50 cents from July 1, 2018 through December 31, 2022, and 75 cents from January 1, 2023 and thereafter.

Business Tax

The IMPROVE Act also authorized up to a 20 percent increase in the existing local business tax for transit purposes. The business tax rates currently range from one-fiftieth of 1 percent to three-tenths of 1 percent of the business's gross income depending on the business's classification. At the current rate, the average business in Davidson County pays \$1,673 per year (the median paid is \$255). Exemptions are available for some businesses conducting amusement, farming, and other activities. Nashville's Transit Improvement Program will be funded in part by a proposed 20 percent local business tax increase. For a Davidson County business that currently pays \$1,000 in taxes, the increase would mean an additional \$200.

Local Rental Car Tax

Prior to the passage of the IMPROVE Act, Davidson County assessed a 1 percent local rental car tax. The IMPROVE Act authorized up to a 20 percent increase in the existing local rental car tax for transit purposes, allowing Davidson County to levy up to an additional 0.2 percent in local rental car taxes for transit purposes. Nashville's Transit Improvement Program will be funded in part by a proposed 20 percent rental car tax increase.

Long-Term Financing

Program financing is expected to be supported by up to \$500 million in federal financing

through the Transportation Infrastructure Finance and Innovation Act (TIFIA) program. In addition to TIFIA, long-term financing through bonds and/or public-private partnerships will be used to help implement the Program. TIFIA represents approximately 6 percent of the funding through the design and construction period. Long-term financing through bonds and/or public-private partnerships represent approximately 34 percent.

Federal Support

The Plan of Finance assumes combined federal funding of \$1.5 billion from the Capital Investment Grant (CIG) Program and formula grants during the anticipated design and construction period from 2018 to 2032.

The discretionary CIG program provides funding for fixed guideway investments such as new and expanded light rail, commuter rail, and bus rapid transit investments. Proposed investments must meet statutorily defined eligibility requirements in order to apply and compete for these grants administered by FTA and appropriated by Congress. The two categories of CIG Grants that would be pursued are:

- **New Starts projects** are new fixed guideway projects or extensions to existing fixed guideway systems with a total estimated capital cost of \$300 million or more, or that are seeking \$100 million or more in CIG program funds.
- **Small Starts projects** are new fixed guideway projects, extensions to existing fixed guideway systems with a total estimated capital cost of less than \$300 million and which are seeking less than \$100 million in CIG program funds.

In recent years, transit agencies that have obtained FTA CIG funds have requested grant awards of approximately 50 percent of total project costs. The Program assumes that the

projects would receive CIG grant awards of approximately 25 percent of the total costs.

Total estimated federal CIG funding is estimated to be \$1.4 billion, which is approximately 16 percent of the sources during the 2018-2032 construction period.

Additionally, the Plan of Finance anticipates the use of annual federal formula funds to support the implementation of the bus program improvements and life-cycle costs associated with bus and rail car vehicles rehabilitation and replacement. Over the 15-year period from 2018 to 2032, total estimated federal formula funds and capital replacement grants are anticipated to total \$153.3 million.

Farebox and Other Revenue

The Program reflects passenger fare revenue for bus service enhancements that will result in a 23 percent farebox recovery rate and operating revenue for ADA service will result in an 8 percent fare box recovery ratio. The assumptions are based on MTA's 2014 and 2015 National Transit Database reports.

For the HCC's, it is assumed that passenger fare revenue for the high-capacity corridor services will result in a 28 percent farebox recovery rate. This is based on a review of the differentials in LRT and bus fare box recovery ratios achieved by transit systems across the country. In the systems reviewed, the LRT farebox recovery ratio ranged from 3 percent to 10 percent higher than bus farebox recovery. For this analysis, it was assumed that the farebox recovery ratios for high-capacity corridors would be 5 percent higher than MTA's bus system.

During the anticipated design and construction period from 2018 to 2032, the Program is anticipated to generate approximately \$192 million in farebox revenue, representing approximately 2 percent of the sources during that period.

The Other Revenues category includes a combination of funding participation from the Nashville International Airport, contributions from the Music City Center, and investment income. Specifically, the finance plan includes \$200 million in revenues from the BNA to support the Murfreesboro LRT line to the airport. Revenues from the Music City Center, which is currently being funded by an existing hotel occupancy tax, will start in 2018 at \$3 million per year beginning in 2028.

During the anticipated design and construction period from 2018 to 2032, total funding from Other Revenues is anticipated to provide 3 percent of sources.

State Funding

While the Nashville MTA currently receives approximately \$4.7 million in State Operating Assistance for the existing transit system; the Program currently anticipates the State will not increase this amount for this Program.

Financing Plan Assumptions (1/2)

Category	Description
<p>Local Option Surcharges</p>	<ul style="list-style-type: none"> ■ Local sales tax <ul style="list-style-type: none"> — Base amount: 2017 tax base projection from Nashville — 5-year tax increase ramp: <ul style="list-style-type: none"> – August 1, 2018 – December 31, 2022: 0.5% increase (\$88.7 mm base year) – January 1, 2023 – thereafter: 1.0% increase — Growth rates: UT tax study (2018-2032) ■ Hospitality tax <ul style="list-style-type: none"> — Base amount: 2017 tax base projection from Nashville — 5-year tax increase ramp: <ul style="list-style-type: none"> – July 1, 2018 – December 31, 2022: 0.250% increase (\$2.9 mm base year) – January 1, 2023 – thereafter: 0.375% increase — Growth rates: UT tax study (2018-2032) ■ Business tax <ul style="list-style-type: none"> — Base amount: 2017 tax base projection from Nashville — Tax increase: \$7,340,000 (base year) <ul style="list-style-type: none"> – Starting January 1, 2020 — Growth rates: Moody’s Nashville CPI Projections ■ Rental car tax <ul style="list-style-type: none"> — Base amount: 2017 tax base projection from Nashville — Tax increase: \$316,101 (base year) <ul style="list-style-type: none"> – Starting July 1, 2018 — Growth rates: Moody’s Nashville CPI Projections
<p>Long Term Financing (Revenue Bonds or P3)</p>	<ul style="list-style-type: none"> ■ Issuance on June 1 of any year with required capital to meet funding gap ■ Term: 30 years ■ Interest rate: 5.5% ■ Amortization: Sculpted for 7 years after project completion, aggregate level debt service thereafter ■ Issuance expenses: 1% of par + \$1 million per issuance

Financing Plan Assumptions (2/2)

Category	Description
<p>TIFIA</p>	<ul style="list-style-type: none"> ■ Amount: Up to \$500 mm ■ Disbursements: Annual, beginning June 1, 2021 ■ Interest rate: 4.75% ■ Term: 35.5 years ■ TIFIA project completion: 12/1/2027 ■ Amortization based on recent TIFIA precedent: <ul style="list-style-type: none"> — Accrete interest through 5 years following “TIFIA project completion” — Interest only for 5 years — Amortize 50% of accreted balance over succeeding 15 years — Amortize remaining 50% with level debt service payments over final 10 years
<p>Other Cash Flow Line Items</p>	<ul style="list-style-type: none"> ■ BNA Airport Participation: \$200 mm in 2026 ■ Convention Center Contribution: \$3 mm through 2027, \$5 mm thereafter ■ Reduction to existing MTA subsidy: \$15 mm (annual) from 2019 through 2024 ■ Subsidy for low-income passengers: \$2.5 mm (annual) ■ Other transportation projects: \$9.5 mm (annual); average \$10.4 mm during construction ■ Investment income: 0.5% of beginning cash balance each year ■ Arranger fee: 0.5% for each respective corridor ■ Professional fees: COI + legal issuance fees (see ‘<i>Long Term Financing</i>’ assumptions)

Project Costs (2018-2032)

(\$ in millions)

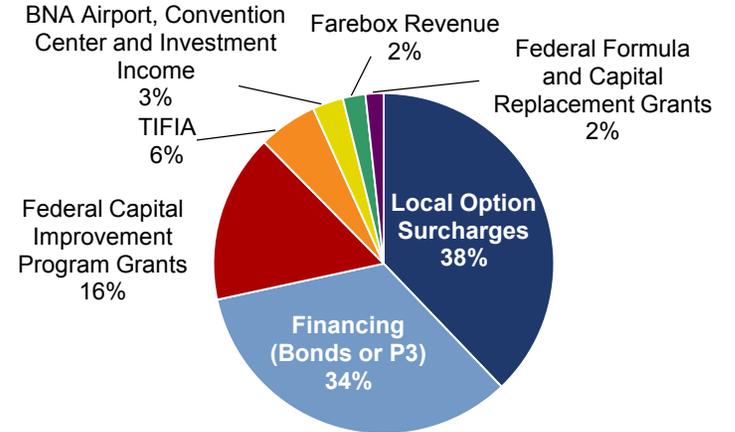
	\$ 2017 (Uninflated)	\$ YOE
Gallatin Pike – Light Rail Transit	789	952
Charlotte – Light Rail Transit	697	876
Nolensville Pike – Light Rail Transit	666	904
Murfreesboro (Excluding Airport) – Light Rail Transit	663	860
Murfreesboro (Airport) – Light Rail Transit	165	214
Northwest Corridor – Light Rail Transit	252	316
Music City Star – Commuter Rail	30	40
Downtown Transit Connection	936	1,108
O&M Facilities	164	204
Total Rail Corridor Improvements	\$ 4,362	\$ 5,475
Rapid Bus Corridor Improvements	233	261
Existing System Expansion	758	886
Total Bus System Enhancements	\$ 992	\$ 1,146
Total Project Costs	\$ 5,354	\$ 6,621

Sources and Uses During Construction (2018-2032)

(\$ in millions)

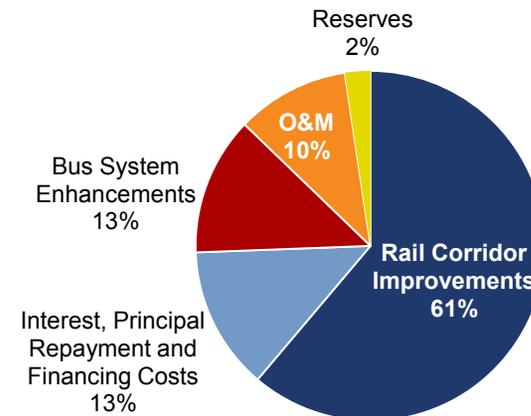
Sources	\$ mm	%
Local Option Surcharges	\$ 3,387	37.8 %
Farebox Revenue	192	2.1 %
Financing (Bonds or P3)	3,022	33.8 %
TIFIA	500	5.6 %
Federal Capital Improvement Program Grants	1,434	16.0 %
Federal Formula and Capital Replacement Grants	153	1.7 %
BNA Airport Participation, Convention Center Contribution and Investment Income	262	2.9 %
Total Sources	\$ 8,951	100.0 %

Breakdown of Sources



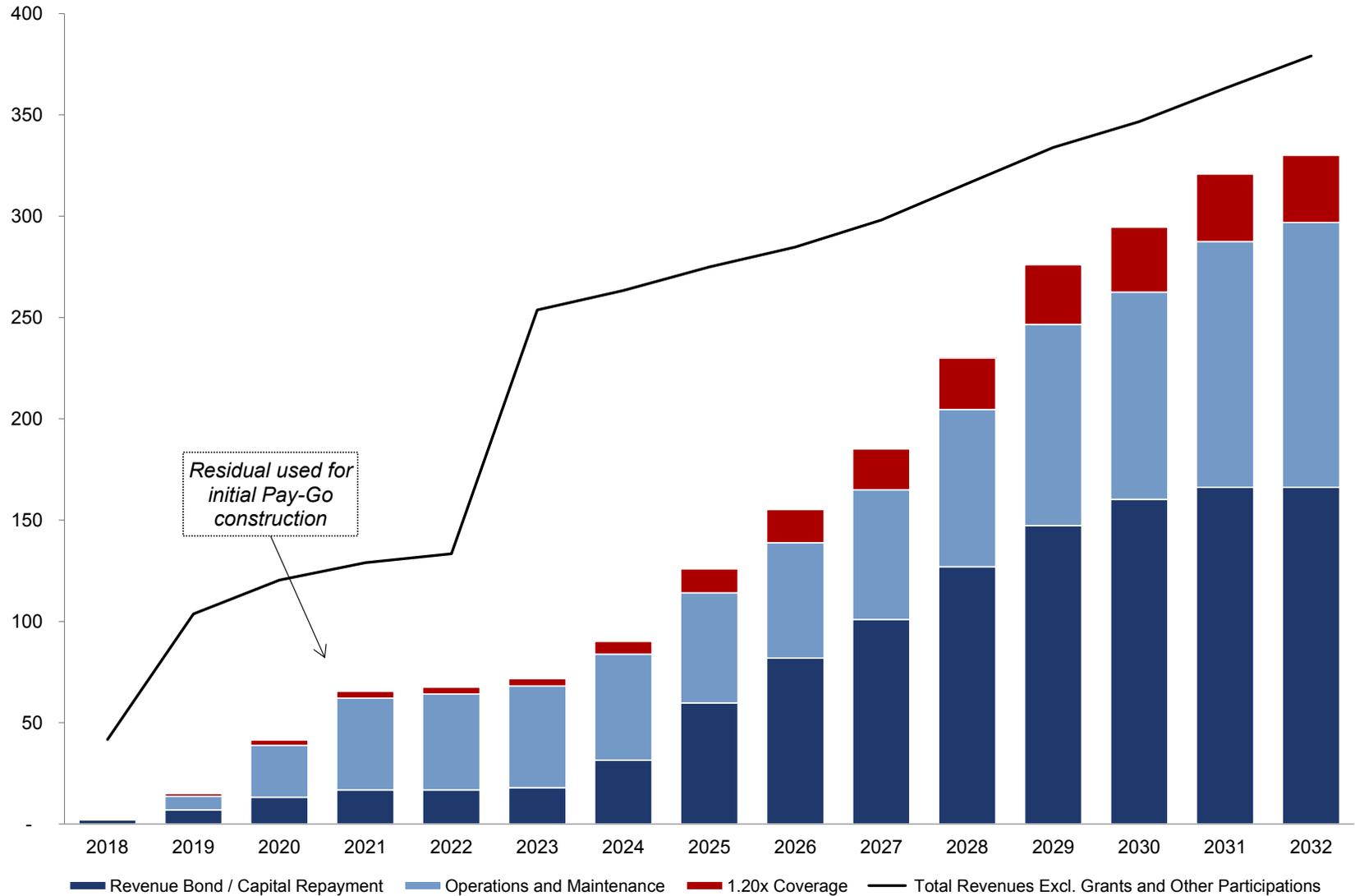
Uses	\$ mm	%
Rail Corridor Improvements	\$ 5,475	61.2 %
Bus System Enhancements	1,146	12.8 %
Interest, Principal Repayment and Financing Costs	1,185	13.2 %
O&M	934	10.4 %
Reserves	211	2.4 %
Total Uses	\$ 8,951	100.0 %

Breakdown of Uses

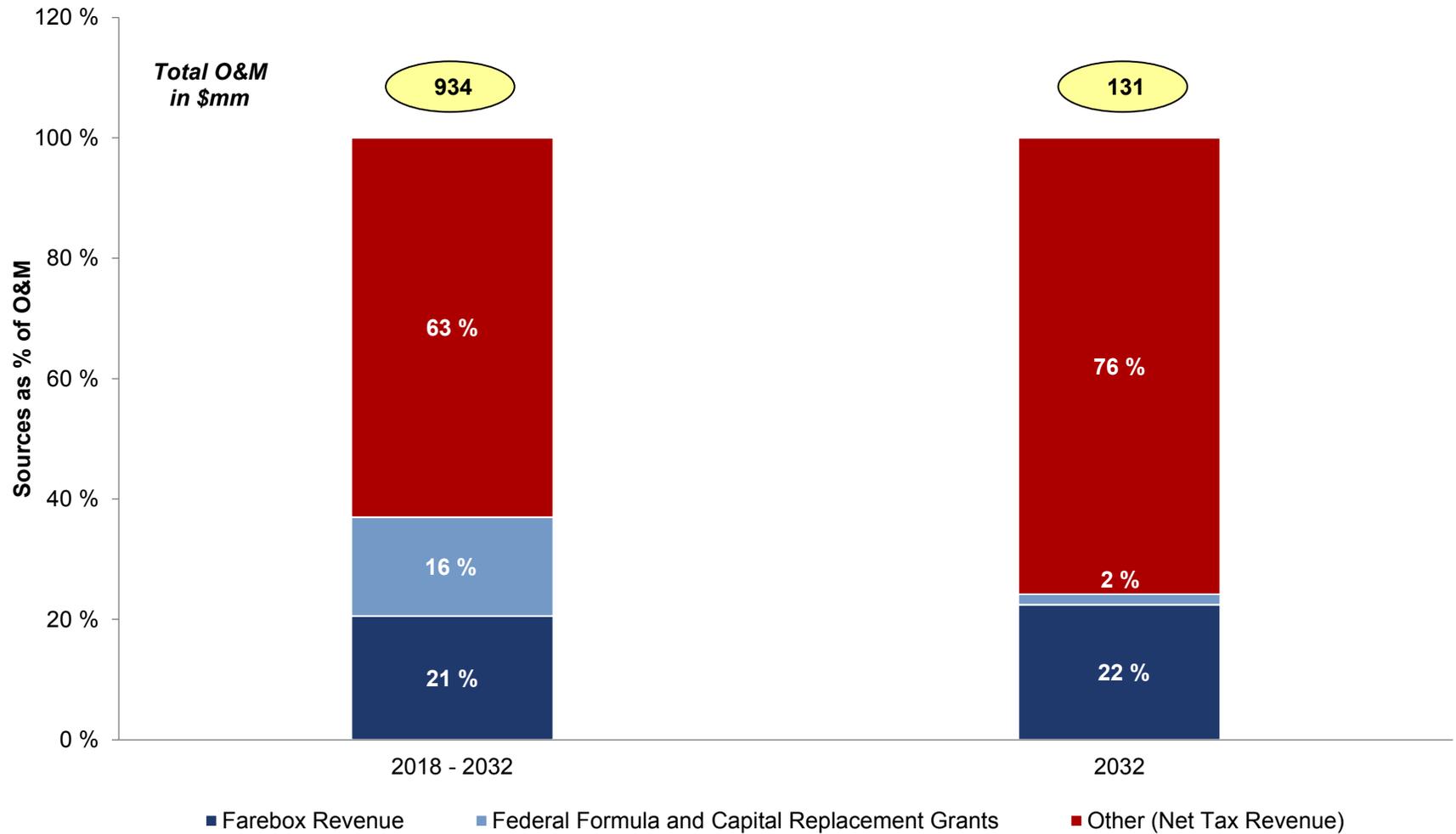


Annual Operating Cash Flow

(\$ in millions)



O&M Recovery Rates from Farebox Revenue and Federal Formula Grants



Detailed Cash Flows (1/2)

2018-2026
(\$ in YOE 000s)

Calendar Year	2018	2019	2020	2021	2022	2023	2024	2025	2026
Beginning Cash Balance	-	54,463	60,210	70,891	71,510	67,377	70,504	92,660	121,637
Funding Sources									
Operating Sources									
Farebox Corridor Revenues	-	-	-	-	-	-	-	-	-
Farebox - Bus Service Increases	-	491	4,582	8,865	9,072	9,282	9,494	9,708	9,929
Farebox - access-a-Ride Increases	-	149	235	282	331	382	435	489	610
Total Operating Sources	-	640	4,817	9,147	9,403	9,664	9,929	10,196	10,539
Non-Operating Sources									
Local Sales Tax Increase	38,502	96,256	100,580	104,371	108,043	225,564	234,213	244,756	253,523
Hospitality Tax	1,523	3,250	3,477	3,694	3,932	6,321	6,745	7,208	7,680
Business Tax	-	-	7,916	8,103	8,292	8,483	8,678	8,873	9,075
Local rental car surcharge	158	325	333	341	349	357	365	373	381
Long Term Financing (Bonds or P3)	78,000	97,000	131,000	-	-	40,000	456,000	569,000	237,000
TIFIA Loan Proceeds	-	-	-	236,000	161,000	103,000	-	-	-
Capital Sources (5307 - Urbanized Area Formula, Etc)	2,095	39,890	6,896	7,059	7,797	5,648	7,236	14,914	4,116
Federal Capital Improvement Program Grants	-	-	-	-	143,396	143,396	143,396	143,396	143,396
Other Federal Grants	-	-	-	-	-	-	-	-	-
BNA Airport Participation	-	-	-	-	-	-	-	-	200,000
Convention Center Contribution	1,500	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Investment Income	-	272	301	354	358	337	353	463	608
Total Non-Operating Sources	121,778	239,993	253,504	362,921	436,166	536,106	859,985	991,984	858,779
Total Sources	121,778	240,633	258,321	372,068	445,569	545,770	869,914	1,002,181	869,318
Funding Uses									
Operating Uses									
Service Increases - Bus	-	2,312	20,104	39,177	40,469	42,706	43,986	45,282	46,311
Service Increases - ADA	-	1,861	2,933	3,526	4,141	4,778	5,434	6,107	7,625
Rapid Bus Corridor Operating Expenses	-	-	-	-	-	-	-	-	-
Rail Corridor Operating Expenses	-	-	-	-	-	-	-	-	-
Free Transit Passes for Low-Income Passengers	-	2,500	2,568	2,632	2,694	2,757	2,821	2,885	2,950
Total Operating Uses	-	6,674	25,606	45,335	47,305	50,241	52,241	54,274	56,886
Capital Uses									
Initial Capital Costs (Bus & ADA)	20,951	62,184	54,049	55,321	62,344	40,499	40,264	41,170	23,282
Lifecycle Maintenance Costs (Bus & ADA)	-	-	-	-	-	-	-	18,098	-
Vehicle Expansion and Replacement Costs (Bus & ADA)	-	67,343	2,983	3,053	3,124	3,197	6,420	3,497	3,576
Reduction in Existing MTA Subsidy	-	15,000	15,409	15,793	16,164	16,541	16,924	-	-
Local Transportation Improvements	-	-	-	9,966	10,200	10,438	10,680	10,924	11,170
Rapid Bus Corridor Initial Capital Costs	4,475	13,137	63,853	104,569	74,595	-	-	-	-
Rail Corridor Initial Capital Costs	37,964	48,997	70,203	120,583	213,177	397,024	684,100	774,271	676,120
Rapid Bus Lifecycle Maintenance Costs	-	-	-	-	-	-	-	-	-
Rail Lifecycle Maintenance Costs	-	-	-	-	-	-	-	-	-
Rail Vehicle Expansion and Replacement Costs	-	-	-	-	-	-	-	-	-
Total Capital Uses	63,390	206,661	206,496	309,284	379,605	467,699	758,387	847,960	714,149
Capital Repayment									
Revenue Bonds Debt Service / Payment Availability	2,145	6,958	13,228	16,830	16,830	17,930	31,570	59,758	81,923
TIFIA Loan Debt Service	-	-	-	-	-	-	-	-	-
Total Capital Repayment	2,145	6,958	13,228	16,830	16,830	17,930	31,570	59,758	81,923
Total Professional Fees	1,780	14,593	2,310	-	5,963	6,771	5,560	11,212	3,370
Total Uses	67,315	234,885	247,640	371,449	449,703	542,642	847,758	973,204	856,328
Net Cash Flow	54,463	5,748	10,681	619	(4,133)	3,128	22,156	28,977	12,990
Ending Cash Balance	54,463	60,210	70,891	71,510	67,377	70,504	92,660	121,637	134,627
Operating Reserve - Bus & HCC (3 Months)	-	1,043	4,716	4,916	477	719	484	492	637
Debt and Capital Repayment Reserve (5% Par)	3,900	8,750	15,300	15,300	15,300	17,300	40,100	68,550	80,400
TIFIA Debt Service Reserve	-	-	-	-	-	-	-	-	-
Ending Unrestricted Cash Balance	50,563	50,417	50,875	51,294	51,600	52,486	52,077	52,595	53,591

Detailed Cash Flows (2/2)

2027-2032 and Totals (\$ in YOE 000s)

Calendar Year	2027	2028	2029	2030	2031	2032	2018 - 2032
Beginning Cash Balance	134,627	158,746	185,945	201,266	266,914	227,359	
Funding Sources							
Operating Sources							
Farebox Corridor Revenues	1,185	4,468	9,943	10,170	14,871	16,835	57,472
Farebox - Bus Service Increases	10,159	10,396	10,636	10,879	11,126	11,380	125,998
Farebox - access-a-Ride Increases	743	811	883	958	1,038	1,122	8,467
Total Operating Sources	12,087	15,674	21,462	22,007	27,035	29,337	191,938
Non-Operating Sources							
Local Sales Tax Increase	264,422	275,914	287,168	298,423	308,848	321,761	3,162,345
Hospitality Tax	8,211	8,766	9,163	9,814	10,331	11,045	101,158
Business Tax	9,285	9,502	9,721	9,943	10,169	10,401	118,440
Local rental car surcharge	390	399	409	418	428	437	5,462
Long Term Financing (Bonds or P3)	457,000	486,000	254,000	217,000	-	-	3,022,000
TIFIA Loan Proceeds	-	-	-	-	-	-	500,000
Capital Sources (5307 - Urbanized Area Formula, Etc)	2,230	2,696	4,613	2,587	43,304	2,257	153,341
Federal Capital Improvement Program Grants	143,396	143,396	143,396	143,396	143,396	-	1,433,958
Other Federal Grants	-	-	-	-	-	-	-
BNA Airport Participation	-	-	-	-	-	-	200,000
Convention Center Contribution	3,000	5,000	5,000	5,000	5,000	5,000	53,500
Investment Income	673	794	930	1,006	1,335	1,137	8,921
Total Non-Operating Sources	888,608	932,467	714,400	687,587	522,809	352,038	8,759,125
Total Sources	900,695	948,141	735,862	709,595	549,844	381,375	8,951,062
Funding Uses							
Operating Uses							
Service Increases - Bus	47,385	48,490	49,611	50,744	51,897	53,079	581,554
Service Increases - ADA	9,283	10,136	11,035	11,980	12,975	14,026	105,841
Rapid Bus Corridor Operating Expenses	-	-	-	-	-	5,807	5,807
Rail Corridor Operating Expenses	4,234	15,957	35,511	36,322	53,110	54,320	199,452
Free Transit Passes for Low-Income Passengers	3,017	3,087	3,159	3,232	3,306	3,381	40,990
Total Operating Uses	63,918	77,670	99,315	102,278	121,288	130,613	933,643
Capital Uses							
Initial Capital Costs (Bus & ADA)	4,008	8,240	9,332	5,420	5,543	1,179	433,788
Lifecycle Maintenance Costs (Bus & ADA)	-	-	-	-	-	-	18,098
Vehicle Expansion and Replacement Costs (Bus & ADA)	3,659	3,745	7,360	4,091	85,499	4,279	201,826
Reduction in Existing MTA Subsidy	-	-	-	-	-	-	95,830
Local Transportation Improvements	11,424	11,689	11,961	12,238	12,518	12,802	136,010
Rapid Bus Corridor Initial Capital Costs	-	-	-	-	-	-	260,628
Rail Corridor Initial Capital Costs	686,989	686,598	441,742	356,507	198,343	82,587	5,475,203
Rapid Bus Lifecycle Maintenance Costs	-	-	-	-	-	-	-
Rail Lifecycle Maintenance Costs	-	-	-	-	-	-	-
Rail Vehicle Expansion and Replacement Costs	-	-	-	-	-	-	-
Total Capital Uses	706,080	710,272	470,395	378,255	301,902	100,848	6,621,383
Capital Repayment							
Revenue Bonds Debt Service / Payment Availability	101,008	126,940	147,290	160,243	166,210	166,210	1,115,073
TIFIA Loan Debt Service	-	-	-	-	-	-	-
Total Capital Repayment	101,008	126,940	147,290	160,243	166,210	166,210	1,115,073
Total Professional Fees	5,570	6,060	3,540	3,170	-	-	69,899
Total Uses	876,576	920,942	720,540	643,947	589,400	397,670	8,739,998
Net Cash Flow	24,118	27,199	15,322	65,648	(39,555)	(16,295)	211,064
Ending Cash Balance	158,746	185,945	201,266	266,914	227,359	211,064	
Operating Reserve - Bus & HCC (3 Months)	1,741	3,420	5,393	723	4,734	2,312	
Debt and Capital Repayment Reserve (5% Par)	103,250	127,550	140,250	151,100	151,100	151,100	
TIFIA Debt Service Reserve	-	-	-	-	-	-	
Ending Unrestricted Cash Balance	53,754	54,974	55,623	115,092	71,525	57,651	

BL2017-984 as amended
Towing and Recovery Rate Increases

<u>Fee Descriptions</u>	<u>Current</u>	<u>Proposed</u>	<u>% Change</u>
Vehicles towed to Metro impound lot within interstate loop	\$ 125.00	\$ 155.00	24%
Vehicles towed to Metro impound lot outside interstate loop	\$ 135.00	\$ 165.00	22%
Vehicles towed to Metro lot from outside Briley Pkwy circle	\$ 145.00	\$ 175.00	21%
Vehicles in accident towed to company lot at direction of police	\$ 145.00	\$ 175.00	21%
All other vehicles towed to company lot at direction of police	\$ 135.00	\$ 175.00	30%
Labor charges per hour after first hour	\$ 115.00	\$ 150.00	30%
Charge per mile for out-of-county miles when towing at police request	\$ 3.50	\$ 4.50	29%
Towed -- Straight trucks and vans	\$ 220.00	\$ 275.00	25%
Towed -- Tandem-Axle, Not Loaded	\$ 265.00	\$ 320.00	21%
Towed -- Tandem-Axle, Loaded	\$ 290.00	\$ 345.00	19%
Towed Recreational Vehicles -- 25 ft & Under	\$ 210.00	\$ 275.00	31%
Towed Recreational Vehicles -- Over 25 ft	\$ 245.00	\$ 375.00	53%
Towed Buses (Large)	\$ 290.00	\$ 375.00	29%
Wrecked -- Straight trucks and vans	\$ 240.00	\$ 350.00	46%
Wrecked -- Tandem-Axle, Not Loaded	\$ 285.00	\$ 395.00	39%
Wrecked -- Tandem-Axle, Loaded	\$ 315.00	\$ 425.00	35%
Wrecked Recreational Vehicles -- 25 ft & Under	\$ 230.00	\$ 340.00	48%
Wrecked Recreational Vehicles -- Over 25 ft	\$ 265.00	\$ 450.00	70%
Wrecked Buses (Large)	\$ 315.00	\$ 450.00	43%
Additional rate when use of air bags is necessary under special circumstances	\$ 3,000.00	\$ 5,000.00	67%
Recovery of vehicle submerged in water (per emergency vehicle)	\$ 215.00	\$ 315.00	47%
Storage rate, per day -- Tractor	\$ 35.00	\$ 60.00	71%
Additional charge for recovery and storage of vehicle burned by fire	\$ 175.00	\$ 250.00	43%
Vehicle drop fee	\$ 55.00	\$ 75.00	36%
C-Class drop fee	\$ 140.00	\$ 175.00	25%
Non-consent towing -- vehicles under 7,000 lbs GVWR	\$ 125.00	\$ 155.00	24%
Non-consent towing -- vehicles over 7,000 lbs GVWR - 25 ft long & under	\$ 200.00	\$ 275.00	38%
Non-consent towing -- vehicles over 7,000 lbs GVWR - over 25 ft long	\$ 350.00	\$ 375.00	7%