

MEMORANDUM TO: All Members of the Metropolitan Council

FROM: Jon Cooper, Director  
Metropolitan Council Office

DATE: **December 20, 2011**

RE: **Analysis Report**

Balances As Of:	<u>12/14/11</u>	<u>12/15/10</u>
<u>GSD 4% RESERVE FUND</u>	*\$25,836,951	\$29,959,990
<u>GENERAL FUND UNDESIGNATED FUND BALANCE</u>		
GSD	\$44,578,057	\$34,801,459
USD	\$8,556,677	\$24,263,010
<u>GENERAL PURPOSE SCHOOL FUND UNRESERVED FUND BALANCE</u>		
	\$34,449,193	\$27,099,790

\* Assumes estimated revenues in fiscal year 2012 in the amount of \$24,098,500

– RESOLUTIONS ON PUBLIC HEARING –

**RESOLUTION NOS. RS2011-111, RS2011-112 & RS2011-113** – These three resolutions exempt restaurants from the minimum distance requirements for obtaining a beer permit. The Metro code prevents a beer permit from being issued to an establishment located within 100 feet of a church, school, park, daycare, or one or two family residence. However, the code was amended in September 2010 to exempt restaurants that already have a state on-premises liquor consumption license from Metro’s minimum distance requirements to obtain a beer permit upon the adoption of a resolution by the council. A public hearing must be held by the council prior to voting on this resolution.

**Resolution No. RS2011-111** (S. Davis) exempts The Pharmacy located at 731 McFerrin Avenue from the minimum distance requirements.

**Resolution No. RS2011-112** (Gilmore) exempts Go Go Sushi located at 2057 Scarritt Place from the minimum distance requirements.

**Resolution No. RS2011-113** (Gilmore) exempts Marathon Music Works located at 1402 Clinton Street from the minimum distance requirements.

– RESOLUTIONS –

**RESOLUTION NO. RS2011-59** (LANGSTER & MCGUIRE) – This resolution, as amended, approves a contract between the Metropolitan board of health and Corinthian Missionary Baptist Church to upgrade the church’s kitchen facilities and to promote community gardens in North Nashville. The funds for this contract are from the federal stimulus grant the health department received to promote healthy living. These funds will be used to provide nutrition education, as well as to purchase a dishwasher, install kitchen sinks, purchase a new refrigerator, and purchase kitchen utensils for the church. Corinthian Missionary Baptist Church was selected through a request for proposals issued by the health department seeking community partners to promote healthy living. The church is to receive \$24,275 in federal stimulus pass-through funds under this contract. The term of the contract is from the date of approval through March 18, 2012.

The council office has researched whether this contract could potentially violate the Establishment Clause of the First Amendment to the U.S. Constitution and is of the opinion that, in light of recent court decisions, the revised contract would withstand a Constitutional challenge. The amended contract does not include any reference to the mission and ministry of the church.

**RESOLUTION NOS. RS2011-114 & RS2011-115** – These two resolutions authorize the issuance of subordinate lien water and sewer revenue bonds primarily to refund existing debt through the state and to provide the long-term financing for improvements to the water and sewer system. In March 2009, the council approved a water and sewer rate increase necessary to rehabilitate Metro’s aging water and sewer infrastructure to meet federal and state environmental requirements. Subsequently, in October 2009, the council approved the issuance (continued on next page)

**RESOLUTION NOS. RS2011-114 & RS2011-115** (continued)

of water and sewer revenue bonds in the amount of \$500 million and bond anticipation notes in the amount of \$200 million for capital improvements to the water and sewer system. This enabled Metro water services (MWS) to issue commercial paper to commence work on the capital infrastructure projects.

In November 2010, the council approved two resolutions to allow for a refunding of a portion of the water and sewer outstanding debt and provide for the issuance of bonds to fund approximately \$250 million in new projects. Resolution No. RS2010-1442 approved a new "master" resolution that authorizes Metro, through supplemental resolutions, to issue water and sewer revenue bonds. The purpose of the new master resolution was essentially to give Metro more flexibility in issuing water and sewer debt by repaying Tennessee local development authority (TLDA) loans, since all subsequent water and sewer debt was to be subordinate to these state loans.

**Resolution No. RS2011-114** (HUNT & MCGUIRE) approves another master resolution for water/sewer debt that will be subordinate to the 2010 master resolution. The purpose of this second master resolution is to allow for the repayment of the outstanding state revolving loan fund debt in the same manner as was done in 2010 for the TLDA debt. Since all new debt would otherwise be subordinate to the state revolving loan fund debt, it is necessary to "take out" the existing debt to eliminate these restrictions on Metro so that subsequent water/sewer debt will not be subordinate to the state loans. All future bonds for water/sewer capital projects will be issued under this master resolution.

**Resolution No. RS2011-115** (MCGUIRE & HUNT) approves a supplement to Resolution No. RS2011-114 to authorize the issuance of subordinate lien water and sewer revenue refunding bonds in a principal amount not to exceed \$165,000,000 to refund all of the Metropolitan Government's outstanding state revolving loan fund agreements. The resolution also authorizes the mayor and director of finance to prepare and distribute a preliminary official statement for the bonds.

Only revenues generated by water and sewer customers will be used to pay the obligations on these bonds. The bonds will not constitute a debt of the Metropolitan Government that would compel the use of sales or property tax revenues.

**RESOLUTION NO. RS2011-116** (MOORE & LANGSTER) – This resolution authorizes the mayor to submit the annual update to the 2010-2015 consolidated plan for housing and community development programs for the Metropolitan Government to the U.S. department of housing and urban development (HUD). The five year consolidated plan is prepared by the Metropolitan development and housing agency (MDHA) and is to be administered by MDHA. The plan includes the allocation of funds received from HUD for community development block grants (CDBG), the HOME investment partnerships program, the emergency shelter grant program (ESG), and the housing opportunities for persons with AIDS (HOPWA). The plan (continued on next page)

**RESOLUTION NO. RS2011-116** (continued)

update provides the planned allocation of funding for the 2012 program year beginning April 1, 2012 and ending March 31, 2013:

**CDBG** funds are based on federal funding in the amount of \$3,876,896 to be allocated as follows:

- \$364,184.50 for the neighborhood improvement program
- \$100,000 for community economic development
- \$400,000 for community services
- \$1,750,000 for homeowner emergency repairs
- \$487,711.50 for Section 108 loan repayment
- \$775,000 for planning and administration

**HOME** funds are to be allocated for homeowner rehabilitation (\$500,000), rental rehabilitation (\$217,798), affordable housing program (\$890,000), and general administration of the program (\$225,000).

**ESG** funds (\$218,507) are allocated to local homeless shelter providers to help cover operational expenses and essential services. Local matching funds required under this program must be provided by the local non-profits that participate in the program.

The **HOPWA** program (\$911,759) provides housing related assistance for low-income persons with AIDS and their families.

The resolution expressly provides that none of these funds will be used for any property acquisition involving the use of eminent domain.

**RESOLUTION NO. RS2011-117** (MOORE & LANGSTER) – This resolution authorizes the mayor to assign responsibility to the Metropolitan development and housing agency (MDHA) for the environmental impact evaluations required by federal law for all programs using Housing and Urban Development funds. The National Environmental Policy Act of 1969 requires an evaluation of the environmental impact of and alternatives to projects using federal funds that affect the environment. MDHA has always performed this function since it is the agency designated by the council to administer the HUD programs. However, the federal government has advised MDHA that they need to receive specific authorization to perform these environmental reviews.

This resolution authorizes the mayor to assign the “Certifying Officer authority” to MDHA to perform environmental reviews required by HUD.

**RESOLUTION NO. RS2011-118** (MCGUIRE) – This resolution approves a grant in the amount of \$1,000 from the Community Foundation of Middle Tennessee to the Metropolitan arts commission for public art education. These funds will be used to develop educational materials for teachers and community educators about Nashville’s public art collection, including flood commemorative public art installations. There is a required local match of \$1,000 to be provided through the arts commission.

**RESOLUTION NO. RS2011-119** (LANGSTER & MCGUIRE) – This resolution approves an application for a grant in the amount of \$175,000 from the U.S. Conference of Mayors to the mayor's office to help prevent childhood obesity. These funds would be used to support healthy initiatives sponsored by the Metropolitan Government including the Kids Walk 100 Miles with the Mayor and the Mayor's 100 Healthy Habits Challenge. The grant dollars would be spent on project management, marketing, promotional materials, and event production.

**RESOLUTION NO. RS2011-120** (LANGSTER & MCGUIRE) – This resolution approves a grant in the amount of \$741,480 from the state department of agriculture to the Metropolitan health department for retail food store inspection, reporting, and enforcement. The health departments in urban areas provide these inspection services on behalf of the state. These funds will cover the inspection of retail food stores in Davidson County every six months. The term of this grant is from January 1, 2012, through December 31, 2016.

**RESOLUTION NO. RS2011-121** (MCGUIRE) – This resolution approves an application for a grant in the amount of \$19,800 from the state library and archives to the Nashville public library system to increase the library staff's knowledge and skills in assisting the public with electronic devices used to read E-books. These funds would be used to purchase 100 E-book readers and 16 printers. If awarded, there will be a required local match of \$19,800.

**RESOLUTION NO. RS2011-122** (MCGUIRE) – This resolution approves a grant in the amount of \$22,778.03 from the state emergency management agency to reimburse the Metropolitan Government for expenses incurred as a result of severe storms in Davidson County in April 2011. This grant, consisting of \$3,254 in state funds and \$19,524.03 in federal pass-through funds, is to reimburse Metro for debris removal and road clearing necessitated by the storms.

**RESOLUTION NO. RS2011-123** (CLAIBORNE & MCGUIRE) – This resolution approves a new fee schedule for applications to the planning commission for zone changes. The Metropolitan zoning code provides that standardized fee schedules may be established to partially defray the processing and administration costs for zoning applications. Such a fee schedule must be approved by resolution of the council in order to be effective.

The planning commission has recommended a new fee schedule that makes a number of reductions in the fees for overlay districts. The historic overlay and institutional overlay districts currently have a filing fee of \$1,975. This is being reduced in most cases to \$1,400 for the initial filing and then \$1,100 for final site plan approval. The filing fee for new urban design overlay (UDO) applications is currently \$8,845, which is also being reduced to \$1,400. The only new fees will be \$1,100 for UDO final site approval, and a smaller charge for modifications to an existing UDO for which no fee is currently being charged. A document detailing the proposed new fee schedule is attached to this analysis.

**RESOLUTION NO. RS2011-124** (LANGSTER) – This resolution authorizes Park 25, LLC to install, construct, and maintain an aerial encroachment consisting of a building overhang in the right-of-way of Alley No. 923 adjacent to Brandau Place. The overhang will be 18 feet above the ground, will span the full width of the alley, and will extend for a length of 62 feet. The applicant has agreed to indemnify the Metropolitan Government from all claims in connection with the construction and maintenance of the encroachments, and is required to post a certificate of public liability insurance with the Metropolitan clerk naming the Metropolitan Government as an insured party. Ordinance No. O87-1890 authorizes aerial encroachments to be approved by resolution rather than ordinance.

This resolution has been approved by the planning commission.

– **BILLS ON SECOND READING** –

**ORDINANCE NO. BL2011-16** (BAKER) – This ordinance renames Centennial Place as “Wayne Wise Place”. This road extends from Centennial Boulevard to its terminus at the John C. Tune Airport property. Mr. Wise was the founder of Western Express, whose headquarters is located on this road.

This ordinance was disapproved by the planning commission but was approved by ECD board.

**ORDINANCE NO. BL2011-49** (BLALOCK) – This ordinance amends the Metro Code to remove the minimum fee imposed on limousine services, allow the use of leased livery vehicles and to adjust the minimum requirements for vehicles to be used for livery services. In June 2010, the council enacted Ordinance No. BL2010-685 in order to have specific regulations applicable to non-taxi passenger vehicles for hire. In that ordinance, vehicles and services are divided into three categories: livery, shuttle, and special-purpose passenger vehicles for hire. The regulations in the 2010 ordinance included, in part, a minimum \$45 fee for livery services, a prohibition on the use of leased vehicles, and age/mileage restrictions.

This ordinance would first remove the current \$45 minimum fee that livery vehicles are required to charge. Second, this ordinance would amend the related vehicle permit process so that the providers are not required to hold the title to the vehicle in order to obtain a permit. This would allow providers to lease the vehicles that they use. The third portion of this ordinance adjusts the minimum requirements for vehicles used as a passenger vehicle for hire. Currently, vehicles past a certain age cannot be used as passenger vehicles for hire. Effective January 1, 2012, a vehicle could not begin service if it is more than five years old. Vehicles could not remain in service if they are more than seven or ten years old, depending on the category of the vehicle. This ordinance would remove the age limitation and rely solely upon the mileage limitation currently in the code. Under this limitation, vehicles cannot exceed 350,000 miles on their odometer. Finally, the ordinance adds a specific minimum time requirement of fifteen minutes for pre-arrangement of services.

The council office would point out that there is ongoing litigation regarding the subject matter of this ordinance. In February of this year, Metro Livery, Inc., among others, sued Metro alleging that the various restrictions in BL2010-865 are unconstitutionally arbitrary and are irrational regulations designed to eliminate competition. The challenged regulations are the minimum fee, the requirement that businesses must hold title to the vehicles, the requirement that they dispatch solely from their place of business, and the minimum age requirement, which is basically the entire subject matter of this ordinance.

**ORDINANCE NO. BL2011-56** (TYGARD & WEINER) – This ordinance names the General Sessions Court Judicial Library in honor of Judge Leon Ruben. Judge Ruben passed away on October 7, 2011 after serving 30 years as a General Sessions Court judge. This ordinance names the General Sessions Court Library on the fourth floor of the Birch Building as the “Judge Leon Ruben Judicial Library.”

The Metropolitan Code provides that no building of the Metropolitan Government may be named except pursuant to an ordinance duly adopted by the Metropolitan Council.

**ORDINANCE NO. BL2011-57** (PRIDEMORE & PARDUE) – This ordinance names the Madison Police Precinct in honor of Officer Paul Scurry. Officer Scurry was killed in the line of duty in 1996 after 21 years of service, all in the East Sector.

**ORDINANCE NO. BL2011-58** (MCGUIRE, BANKS & JOHNSON) – This ordinance authorizes the industrial development board of the Metropolitan Government (IDB) to negotiate and accept payments in lieu of ad valorem taxes for the benefit of LifePoint Corporate Services General Partnership, which is a subsidiary of LifePoint Hospitals, Inc. LifePoint is a publicly traded company on NASDAQ operating 54 hospitals in 18 states with 24,000 employees. NASDAQ's website estimates LifePoint's market capitalization to be \$1.867 billion. According to LifePoint's annual report, the company had revenues in 2010 of \$3.26 billion, with a net income of \$155 million. The company currently employs 400 people at its corporate headquarters located in three separate buildings in the Maryland Farms development in Brentwood.

LifePoint plans to consolidate its corporate offices into one 203,000 square foot building to be located at Seven Springs Office Park on Old Hickory Boulevard in southern Davidson County. The new facility will be developed and managed by Highwoods Properties, which is a publicly traded real estate investment company that is the owner of the existing 130,000 square-foot office building in the Seven Springs Development. As part of the new seven-story office building, LifePoint plans to outfit a new data center that is estimated to result in 80 additional jobs. The development will also include an 885-car parking garage, of which 761 parking spaces will be designated for LifePoint. According to the recitals included in the ordinance, the estimated cost of the office building and garage is \$37 million, which is to be completed in 2013. It is also anticipated that a 25,000 square foot retail building will be built as a result of LifePoint's relocation. This development is to be located on 3.7 acres of a 10.94-acre undeveloped parcel. This parcel is to be subdivided into roughly three equal-sized parcels, with the LifePoint building located on one, the retail development on another, and one undeveloped parcel. The 3.7-acre portion currently generates \$18,654 in property taxes annually.

State law permits local governments to delegate the authority to industrial development boards to enter into payment-in-lieu-of-tax (PILOT) agreements provided that the payments are in furtherance of the public purpose of the board. PILOT agreements essentially provide tax abatements for real and/or personal property taxes the company would otherwise be required to pay to the Metropolitan Government. PILOT programs have been used by Metro in the past to provide incentives to large employers to create more job opportunities, and are subject to approval by the council. Some of the PILOT agreements from previous years include Columbia/HCA Healthcare Corporation, Inc., Dell Computer Corporation, Omni Hotel (for the convention center headquarters hotel), and Carlex. The amount of tax abatements over the life of the existing PILOT agreements totals approximately \$94,000,000. This does not include any economic incentive grants approved by the council.

Pursuant to this ordinance, the council is delegating the authority to the IDB to negotiate and accept payments in lieu of both real and personal property taxes over a period of 15 years from the date the new building is completed. The personal property tax abatement would only apply to the equipment in the data center. The length of the PILOT agreement corresponds to the lease term between LifePoint and Highwoods. The agreement will effectively result in a 100% tax abatement for 4 years, 60% abatement in years 5 through 11, and a 25% abatement for (continued on next page)

**ORDINANCE NO. BL2011-58** (continued)

years 12 through 15. Added to the abatement for the personal property taxes associated with the data center, this PILOT would result in a total tax abatement of approximately \$6 million over the 15 year term of the agreement. In the event LifePoint breaks its lease and leaves Davidson County within the 15 year term, it will not be required to reimburse Metro for the amount of the tax abatement the company received up to that point.

Trying to calculate the tax benefit to Metro is more difficult. A University of Tennessee economist hired by LifePoint estimates that the LifePoint relocation will result in additional tax revenues for Metro of \$23,000,000 over a 20 year period, which assumes the company exercises an option to extend the 15 year lease for an additional five years. The study also assumes the construction cost of the building and garage to be \$47,500,000 and the construction cost for the retail space to be \$10,000,000. However, the ordinance itself estimates the construction costs for the office building and garage to be \$37,000,000. Further, the council office has been advised that the industry average for small retail construction is \$100 per square foot, which would only be \$2,500,000 as opposed to \$10,000,000. The economist also used a property tax rate of \$4.52, as opposed to our current property tax rate of \$4.13 per \$100 in assessed value.

Since the amount of the abatement is tiered, Metro will receive approximately \$4,100,000 in real and personal property taxes over the 15 year term directly as a result of the construction and furnishing of the new LifePoint building using today's tax rate and assuming no increase in property values. Using the more conservative figure of \$2,500,000 as the estimated cost for the retail construction, this would generate \$776,850 in real property taxes and approximately \$260,000 in personal property taxes over the 15 year term. Assuming an average of \$300 per square foot in annual sales from the retail space, this would also generate \$2,207,250 in sales tax over 15 years.

Metro will also be entitled to all of the property taxes associated with the 124 parking spaces in the garage that will not be designated for LifePoint employees, which would generate between \$350,000 and \$520,000 over 15 years depending on the appraised value of the garage. Further, Metro would be entitled to the local option sales tax revenue generated by the purchases to equip the data center and from the purchase of building materials. It is impossible to determine how much of these purchases would be from Davidson County merchants, but the director of the Mayor's office of economic and community development has advised the council that LifePoint has committed to purchase materials for the data center in Davidson County. Using LifePoint's estimates that it will be purchasing \$60,000,000 worth of software for the data center plus \$30,000,000 in hardware with a useful life of five years (meaning it will be replaced twice over the life of the agreement), and that 100% of it is purchased in Davidson County, this would result in \$3,750,000 in sales taxes to Metro.

Based on the foregoing, the LifePoint headquarters and the retail development would theoretically result in total taxes paid to the government over 15 years of approximately \$11,400,000 compared to the \$275,500 Metro would generate if the property remained undeveloped for 15 years. Since this figure is based almost entirely upon assumptions, it is impossible to determine the total amount of tax dollars Metro would receive to a certainty. Further, neither this ordinance nor the PILOT agreement reference the retail component, so the projected taxes generated by the retail development are not guaranteed.

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**ORDINANCE NO. BL2011-58** (continued)

As a point of comparison, the 130,000 square foot office building Highwoods currently owns at the Seven Springs Development is appraised at \$18,791,800, and generates \$310,440 in annual real property taxes for Metro (\$4,656,600 over 15 years).

The circumstances surrounding this PILOT agreement are different from the other corporate relocations where PILOTs have been provided. With the exception of Carlex, which only created 50 new jobs but retained 400 jobs that otherwise would not still be in Davidson County, the other relocations for which PILOT agreements have been provided as an incentive were projected to result in significantly more than 80 new jobs. Furthermore, this company is moving approximately three miles from its existing location. Of LifePoint's 400 employees at the corporate headquarters, 132 currently reside in Davidson County according to information provided by the company's attorney. It is doubtful that many more of the employees that currently live in Williamson County will move to Davidson County as a result of having to commute an additional three miles.

**ORDINANCE NO. BL2011-59** (MITCHELL) – This ordinance approves a clinical affiliation agreement between the Metropolitan Nashville Fire Department, Division of Emergency Medical Services and Southeastern Institute to provide student clinical instruction and training to emergency medical technician (EMT) and paramedic students. This externship program will include 36 hours of training for EMT students and 324 hours for paramedic students. Students will not receive any compensation and there is no cost to the Metropolitan Government for providing this service. All students will be covered by professional liability insurance through the school.

The term of the agreement is through May 1, 2016, but may be terminated by either party upon 30 days written notice. The school agrees to assume responsibility for all of its students participating in the program. Metro is a participant in similar clinical experience programs through the Metro health department and the Davidson County drug court.

**ORDINANCE NO. BL2011-60** (STEINE) – This is a routine ordinance that readopts the Metropolitan Code prepared by Municipal Code Corporation to include all ordinances enacted on or before August 16, 2011. Municipal Code Corporation has the contract with Metro to codify all ordinances enacted by the council, as well as to update and maintain the on-line version of the code. The council periodically readopts the code to make sure the printed and online versions are kept up to date.

**ORDINANCE NO. BL2011-61** (JERNIGAN) – This ordinance renames the portion of Sixth Street located between Jones Street and its terminus at the Lakeside Village Condominiums as "Jones Pointe". This portion of the street does not line up with the rest of Sixth Street. This name change has been requested by the residents of Lakeside Village Condominiums.

This name change has been approved by the planning commission and has been referred to the emergency communications district board.

**ORDINANCE NO. BL2011-62** (MOORE) – This ordinance abandons a section of right-of-way located adjacent to property at 2516 12th Avenue South that is no longer needed by the Metropolitan Government. The closure has been requested by the property owner, Paul McRedmond. This ordinance also abandons all existing utility easements within this portion of the right-of-way.

This abandonment has been approved by the planning commission.

**ORDINANCE NO. BL2011-63** (TODD & HUNT) – This ordinance abandons 102 feet of a storm sewer and a 10-foot public utility and drainage easement on properties located at 620 and 624 Belle Park Circle. This storm sewer and easement are no longer being used by the department of water and sewerage services. This ordinance has been approved by the planning commission.

**ORDINANCE NO. BL2011-65** (GILMORE & BARRY) – This ordinance amends the Metropolitan Code as it pertains to noise levels outside businesses downtown. Currently, the code completely prohibits exterior speakers on downtown businesses and prohibits such businesses from aiming interior speakers toward the exterior opening when it would produce sounds above 85 decibels measured fifty feet from the wall of the business. This ordinance would amend the code so that the 85 decibel limit would apply while the business is open and a separate provision would apply while the business is closed. This separate provision would limit sounds to 70 decibels measured from the nearest public right-of-way or park.

– **BILLS ON THIRD READING** –

**ORDINANCE NO. BL2011-50** (MCGUIRE & BARRY) – This ordinance authorizes the Purchasing Agent and the Metro Employee Benefit Board to extend the current medical plan contracts with BlueCross BlueShield of Tennessee and Connecticut General Life Insurance Company for up to two years. Metro currently offers two self-insured health insurance options for Metro employees: the Blue Cross/Blue Shield PPO and the Cigna Choice Fund account-based plan. Cigna is a subsidiary of Connecticut General Life Insurance Company. The current five year contract is set to expire on December 31, 2012.

Given the uncertainty of federal healthcare reform, the Metro employee benefit board is seeking the authority to extend these medical plan contracts for up to two years. Specifically, the benefit board would like additional time to allow for more clarity and direction on certain issues including retiree health care benefits and pharmacy benefits. The Metro procurement code limits the term of Metro contracts to five years without council approval.

**ORDINANCE NO. BLS011-51** (STANLEY, MCGUIRE & JERNIGAN) - This ordinance approves two agreements related to the acquisition of the Ravenwood Country Club property for use as a public park and open space. This property, consisting of 180.95 acres, is located behind the Stones River greenway. The fiscal year 2011 mayor's capital spending plan established a parks open space revolving fund in the amount of \$5,000,000 to acquire and preserve open space in Davidson County. In May 2011, the council approved the acquisition of the 135-acre Cornelia Fort Airport property for a purchase price of \$1,215,000 from this revolving fund for use as part of the Shelby Bottoms greenway.

The first agreement to be approved is an option contract for the purchase of the property. The property was purchased by Ravenwood Country Club, LLC, owned by David Watkins, in 2008 for \$642,992. Metro will be purchasing the property for \$2,800,000. The current value of the property as determined by the assessor of property is \$4,037,780. Mr. Watkins will continue to manage the club until December 31, 2013 as a result of a contractual obligation he made to the club membership when he acquired the property. Metro will pay Mr. Watkins \$200,000 in each of the next two years for the operation of the club as long as he fulfills his obligations under the contract. Mr. Watkins will also be entitled to all of the revenues from the club during this period, but will be responsible for all operating and maintenance expenses. The club will be open to the public at usage rates not to exceed what is currently being charged. Mr. Watkins will also be required to maintain liability and property insurance coverage in an amount to be determined by the Metro director of insurance. The option to purchase this property is set to expire 90 days after the execution date. However, the execution date was not filled in on the option document, so its expiration date is not easily ascertainable.

The second agreement is between Metro and Eddie Phillips for the conveyance of certain property and the reimbursement of expenses associated with the pool and tennis facilities. Mr. Phillips, operating as Phillips Builders, owns a residential development next to the Ravenwood property called the Reserve at Stone Hall. Mr. Phillips contributed \$266,000 toward the improvements made by Mr. Watkins to the Ravenwood pool and tennis courts for use by the residents of the Reserve. This agreement provides that Metro will reimburse Mr. Phillips \$266,000 not later than January 30, 2012.

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**ORDINANCE NO. BLS011-51** (continued)

The agreement with Mr. Phillips also provides for a modification of the declaration of restrictive covenants for the Reserve. The covenants currently provide that the homeowners are entitled to a free one-year golf membership at Ravenwood. Pursuant to this contract, Mr. Phillips agrees to modify the restrictive covenants to provide that these golf memberships will not extend past December 31, 2013, regardless of the date the home is purchased. Further, Mr. Phillips will require the Reserve homeowners to pay \$30 per month for use of the pool and tennis courts until December 31, 2013.

Since Mr. Phillips will be required to construct new amenities for the Reserve homeowners, Metro is agreeing to transfer 4.9 acres of developable property to Mr. Phillips so that he can construct a new pool and tennis courts on other property within the development. The agreement also contemplates a future exchange of property with Metro if Mr. Phillips acquires additional property from Mr. Watkins. Such future exchange would be subject to approval of the council. Finally, Metro is agreeing to convey a storm water drainage easement to Mr. Phillips to allow him to use the existing ponds on the Ravenwood property for the benefit of the Reserve development.

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

**ORDINANCE NO. BL2011-52** (MCGUIRE & HUNT) - This ordinance accepts a combined contribution in the amount of \$60,000 from Hillsboro Plaza Retail Partners III, LLC and Davis Street Land Company of Tennessee, LLC toward the cost of signal improvements at the intersection of Abbott Martin Road and Hillsboro Pike in Green Hills. The new signals will match the system currently installed in front of the Hill Center.

**ORDINANCE NO. BL2011-53** (GILMORE & HUNT) - This ordinance authorizes the acceptance of a right-of-entry and easement from Grand Ole Opry, LLC for property located at 166 Opry Place. This easement is needed for the Ryman Alley refurbishment and fire hydrant project. The acquisition of additional or different easements for this same project may be approved by resolution.

This ordinance has been approved by the planning commission.

**ORDINANCE NO. BL2011-54** (TODD, MCGUIRE & HUNT) - This ordinance authorizes the acquisition of an easement for property located at 900 Old Hickory Boulevard for an upgrade to the Hillview water pumping station. The estimated acquisition cost for the easement is \$2,000, which is to be paid from the water and sewer extension and replacement fund. The acquisition of additional or different easements for this same project may be approved by resolution.

Section 1 of the ordinance actually grants the authority for the collective acquisition of the easement and property, although the diagram attached to the ordinance only shows a 4,000 square foot easement. The council office recommends the ordinance be amended to clarify the property interest needed.

This ordinance has been approved by the planning commission.

**ORDINANCE NO. BL2011-55** (HUNT) - This ordinance approves the routine adoption of the additions, deletions, and/or other amendments to the Official Street and Alley Acceptance and Maintenance Map for the Metropolitan Government made during the previous year. These amendments are submitted annually by the department of public works. The map shows the dedicated streets and alleys that were either accepted or abandoned for public maintenance by Metro.

This ordinance has been approved by the planning commission.