



completion of Phase 1A; and,

WHEREAS, Metro will reimburse Monroe for public infrastructure completed in Phase 1A, such reimbursement not to exceed \$13,802,00.00; and,

WHEREAS, the completion of Phase 1A will benefit both parties and the general community of Nashville and Davidson County, Tennessee.

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

Section 1. That the participation agreement between the Metropolitan Government of Nashville and Davidson County, acting by and through the Department of Public Works, and Monroe Infrastructure LLC, for the construction of public infrastructure in Phase 1A of River North, attached hereto and incorporated herein, is hereby approved and the Metropolitan Mayor is authorized to execute the same.

Section 2. That all costs related to the public infrastructure for the Project shall be paid from the FY19 Metro Capital Spending Plan, under Fund 40119 BU 42409119.

Section 3. That the participation of the Metropolitan Government of Nashville and Davidson County in the Participation Agreement, as attached hereto and incorporated herein, is subject to the availability of funds as determined by the Department of Finance.

Section 4. It is hereby the intent of the Metropolitan Council to establish a Central Business Improvement District, either by resolution or by petition as provided under Tenn. Code Ann. §7-84-511, for the 40-acre portion of the River North property known as "the Landings."

Section 5. Amendments to this ordinance shall be approved by resolution.

Section 6. This ordinance shall take effect from and after its final passage, the welfare of the Metropolitan Government of Nashville and Davidson County requiring it.

### Analysis

This ordinance, as amended, approves a participation agreement between Metro, acting by and through the Department of Public Works, and Monroe Infrastructure LLC, for the construction of public infrastructure in Phase 1A of the River North development north of Jefferson Street and east of the Cumberland River. The fiscal year 2019 Capital Spending Plan approved by Resolution No. RS2018-1454 in October 2018 included \$20,000,000 for an East Bank / Cowan - Infrastructure project. This participation agreement would use approximately \$13,800,000 of this previously authorized funding for Phase 1A of the public infrastructure work necessary for the proposed River North development. The Council authorized the acceptance of easements for public rights-of-way associated with the River North development in July 2019 through the adoption of Resolution No. RS2019-1805.

Under the terms of the agreement, Monroe Infrastructure ("Monroe") will construct the public infrastructure in the first phase of the River North development, which will consist of roadway and intersection improvements and public utilities. Once completed the work will create a new road network with a cost of approximately \$20,902,000. Monroe will be responsible for the demolition of existing structures, construction, installation, and completion of Phase 1A. A description of the infrastructure work to be completed is attached to the agreement

as [Exhibit B <https://nashville.legistar.com/View.ashx?M=F&ID=9032298&GUID=4D4312BB-654F-44DD-856B-9012AAC5BB32>](https://nashville.legistar.com/View.ashx?M=F&ID=9032298&GUID=4D4312BB-654F-44DD-856B-9012AAC5BB32).

Metro agrees to reimburse Monroe for public infrastructure completed in Phase 1A not to exceed \$13,802,000. Such reimbursement will be paid from the FY19 capital spending plan, under Fund 40119, Business Unit 42409119. Monroe will submit reimbursement requests to Metro quarterly. If the total cost of the project exceeds \$20,902,000, Monroe will be solely responsible for paying the overage. Metro's financial liability under the agreement is capped at \$13,802,000, which is 66% of the estimated construction costs. Monroe will convey the infrastructure to Metro once it is completed.

The Phase 1A work will start within 90 days of Council approval of the agreement, and the work is to be completed within two years. The agreement includes a clawback provision similar to the language added by amendment to the Nashville Yards participation agreement in the previous Council term. If the Phase 1A work is not completed, Monroe will be required to return all payments to Metro.

The recitals in the agreement note that Monroe will be providing 5.5 acres of property for the streets and four acres for a Riverfront greenway.

Metro and Monroe also agree to pursue the establishment of a central business improvement district (CBID) for the first 40 acres of the project area known as "the Landings." CBIDs are permitted pursuant to T.C.A. §7-84-501 *et seq.*, and allow the imposition of an additional assessment on all property located within the area to provide enhanced services. Under state law, a majority of all real property owners must petition the government to create a CBID, representing 2/3 of the assessed value within the area seeking designation. The Council has previously approved the creation of three CBIDs - one in downtown, a second in the Gulch area, and a third in the Cane Ridge Road area.

An amendment added at the January 19, 2021 meeting states that the participation of Metro is subject to the availability of funds. A similar provision was added to the text of the attached participation agreement. The amendment also added a section noting that the intent of the Metro Council is to establish a CBID for "the Landings".

Amendments to this ordinance may be approved by resolution.

*Fiscal Note: Metro will reimburse Monroe Infrastructure, LLC up to \$13,802,000 for the infrastructure project and will be paid from the FY19 Metro Capital Spending Plan, under Fund No. 40119, Business Unit No. 42409119. The total estimated cost of this work is \$20,902,000.*

*Upon completion of the infrastructure project, Monroe will convey ownership to Metro. Metro would be responsible for the ongoing operation and maintenance.*