

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING is made and entered into this ____ day of _____, 2024, by and between the Metropolitan Government of Nashville and Davidson County (Metro) Department of Finance (“Finance”) and Metro Department of General Services (“DGS”) but shall have an effective date of January 1, 2025.

WITNESSETH

WHEREAS, Metro’s current real estate activities are decentralized with responsibility spread across multiple Departments which prevents Metro from having a unified real estate portfolio strategy, and a single point of coordination, responsibility and accountability for providing efficient and sustainable real estate asset management and workplaces for all Metro Departments; and,

WHEREAS, it is desirable to consolidate portions of the responsibility for Metro’s real estate activities including selected strategy, analytics, space planning, transactions, design, construction, and property management within the Metropolitan Government, in order to improve management of the portfolio and operations through a best practice organizational structure and decision-making process; and,

WHEREAS, a central real estate function in DGS will allow for appropriate portfolio development and asset management through streamlined operations, contributing to cost-effective, metrics-based solutions for meeting the real property needs of selected departments, from initial real estate and space planning through leasing, property acquisition, development, management and ultimately adaptive re-use, redevelopment or disposition; and,

WHEREAS, the Metropolitan Charter § 8.112 establishes the Division of Public Property Administration (Public Property Division) and creates the position of Director of Public Property Administration to be appointed for an indefinite term by the Mayor. Metropolitan Charter §§ 8.103 (k) and (l) define the duties of the Public Property Division as to establish standard procedures for acquiring and disposing of land for Metropolitan departments, boards and commissions, exclusive of land acquisition for the Nashville Electric Service and the Nashville Housing Authority, to maintain an inventory of public property and equipment, and perform such other duties as may be assigned by the Finance director or by ordinance; and,

WHEREAS, the Metropolitan Code of Ordinances, Chapter 2.24, Article III, “Division of Public Property Administration” (Code 2.24, Article III) further establishes responsibilities of the Public Property Division; and,

WHEREAS, DGS was established through the Metropolitan Code of Ordinances Chapter 2.32 to, among other things, consolidate general government functions such as building design and construction management, building management and operations, fleet management, certain personal property and equipment functions, sustainability functions including strategic energy management and renewal energy planning, print management, and mail management into a central department to support the operations of Metro government departments, boards, and commissions; and,

WHEREAS, the functions of the Public Property Division are an integral part of Metro's broader real estate responsibilities, and consolidating the existing real estate responsibilities of the Public Property Division and DGS will both align with the intent of the Metropolitan Charter § 8.112 and ensure that subject matter experts in real estate strategy, transactions, development, asset management, and property management are coordinated to provide appropriate analysis and guidance for decision-making, for the betterment of Metro's real estate activities and valuable assets in coordination with other Metro partners; and,

WHEREAS, a consolidated real estate office will align the key functions of a modern real estate organization with strategy, development, delivery, operations, and asset management portfolios so that the key functions create the structure needed to provide best value to the taxpayers of the Metropolitan Government; and,

WHEREAS, pursuant to the terms of this instrument, the parties have proposed that the public interest will best be served by placing the personnel and operational activities relating to the Public Property Division responsibilities with DGS.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. The term of this memorandum shall be for no longer than five (5) years from the effective date. Either party may terminate this memorandum with written notice delivered to the director of the other department to be effective not sooner than 90 days after delivery.
2. After January 1, 2025, all Public Property Division employees including the Director of Public Property Administration and staff shall, together with their materials and equipment relating to such activities, transfer to offices under the administration of DGS.
3. After their transfer to DGS, the Public Property Division employees shall become employees of DGS and shall abide by and be subject to the employment rules and regulations that apply to DGS employees and further shall be subject to the supervision and direction of the DGS director or others s/he may designate.
4. After the effective date of this memorandum, DGS shall be responsible for the Public Property Division as set forth in Metropolitan Charter § 8.112, §§ 8.103 (k) and (l), and set forth in Code 2.24, Article III, excluding any responsibilities related to Personal Property or Equipment, which shall be retained by the Finance Department.
5. After the effective date of this memorandum, Public Property Division employees or others that may be assigned to such work by the DGS director or designee shall carry out the Public Property Division Responsibilities as defined in the Charter and Code 2.24, Article III (or any modification thereto), or similar responsibilities supporting the strategic real estate portfolio management.
6. Yearly on the anniversary of the effective date of this memorandum, DGS

shall submit to the Finance director a detailed report of activities undertaken and funds expended in connection with the Public Property responsibilities during the preceding year. The report shall also detail projects expected to be proposed in the following year's Capital Improvements Budget, together with estimated budgets.

7. Quarterly during the term of this memorandum, one or more DGS employees designated by the DGS director and one or more Finance employees designated by the Finance director shall meet to discuss the status of projects undertaken and funds expended in connection with the Public Property Division responsibilities. Reports of such meetings shall be developed and delivered to both directors, who shall confer as necessary to address emerging issues arising in connection with the subject of this memorandum.
8. Both parties acknowledge that the responsibilities established in the Metropolitan Charter and Code around Public Property are comprehensive, may take additional time to fully implement, and will collaborate to assure a smooth transition.
9. To the extent the Finance director is required to attend meetings, generate reports or make presentations relating to the Public Property Division responsibilities, the DGS director or designee shall attend such meetings, generate such reports or make such presentations.
10. The Finance director is authorized to reallocate funds previously appropriated by the Metropolitan Council to the Finance Department for carrying out the Public Property Division responsibilities to DGS as necessary.
11. In the event this memorandum is terminated for any reason, the employees then involved in activities relating to the Public Property Division responsibilities shall, together with their materials and equipment relating to such activities, transfer to offices under the administration of Finance, become employees of Finance, abide by and be subject to the employment rules and regulations that apply to Finance employees and subject to the supervision and direction of the Finance director or others s/he may designate. The Finance director is authorized to reallocate funds previously appropriated by the Metropolitan Council to DGS to the Finance Department should this occur.
12. Nothing in this memorandum shall be construed as a transfer of or a limitation on the authority of Finance to assure other functions contemplated by the Metropolitan Code and Charter are performed.
13. The parties recognize the likelihood that issues may emerge during the term of this memorandum and agree to work cooperatively to resolve such issues for the benefit of the Metropolitan Government.

Metropolitan Department of General
Services

Gerald Smith 2/3/2024 | 12:20 PM CST

Gerald C. Smith, Director

Metropolitan Department of Finance

Kevin Crumbo 3/2024 | 11:50 AM CST

Kevin Crumbo, Director

Filed with the Metropolitan Clerk:

Austin Kyle, Metropolitan Clerk

Date: _____