

MID★YEAR UPDATE

2016

NASHVILLE

METROPOLITAN COUNCIL



NASHVILLE AREA CHAMBER OF COMMERCE

LEGISLATIVE

SCORECARD

MID ★ YEAR UPDATE

METRO COUNCIL 2016 LEGISLATIVE SCORECARD MID-YEAR UPDATE

The Nashville Area Chamber of Commerce released its annual Legislative Scorecard in early July 2016, highlighting the Chamber's legislative priorities.

- Creating an environment where business can prosper.
- Promoting talent development of the region's workforce.
- Ensuring quality of life that attracts and retains resident and workers.
- Leading regional efforts to ensure economic prosperity.

In the intervening months, the Metro Nashville/Davidson County Council has taken action on several bills that fall within the Chamber's legislative priorities. This mid-year review provides an update on several bills of interest to business owners and leaders in Nashville.

REGULATION OF GAS COMPRESSOR STATIONS

BL2016-234 AND RS2016-219

In July, Metro Council adopted an ordinance and resolution (BL2016-234 and RS2016-219 [Bedne]) that imposed location restrictions on natural gas compressor stations – inserting zoning regulations into the health section of the Metro Code. Regulation of the location of natural gas infrastructure is the purview of the Federal Energy Regulatory Commission, and location restrictions applied by local governments have been overruled in court.

This change to Metro Code to prohibit the movement of natural gas has the potential to generate legislation from the state to override the city's attempts to prohibit the flow of natural gas. The bill can also be expected to be viewed unfavorably by neighboring counties as the city attempts to push future gas compressor stations out of Davidson County.

The Chamber opposed this ordinance and resolution. BL2016-234 passed 26 for and 3 against on July 5. That same day, RS2016-219 passed 35 for and 0 against.

COMPREHENSIVE MASS TRANSIT PLAN

BL2016-259

In July, Metro Council passed BL2016-259 (Shulman, Potts, Elrod), which charges the Metropolitan Transit Authority (MTA) to create a comprehensive mass transit plan for Nashville/Davidson County and provide recommendations on funding sources and a timeline for implementation. The bill states that the comprehensive mass transit plan is to be submitted to Metro Council by December 31, 2016. MTA and the Regional Transportation Authority (RTA) undertook a regional transit planning effort in 2015-2016, which resulted in the adoption of nMotion by the MTA and RTA boards in September.

The Chamber has engaged in the region's conversation on mass transit by supporting Moving Forward – an initiative led by business and community leaders to create regional transportation solutions through cohesive community effort. Moving Forward's Routes, Network and Modes task force engaged community leaders in understanding, critiquing and strengthening the nMotion plan for Nashville/Davidson County and the region.

Moving Forward's Revenue and Finance task force has engaged the Victoria Transport Policy Institute to assess potential sustainable funding sources for transit – research that will be provided to the public, to MTA/RTA, and to elected officials in early November.

The Chamber supported BL2016-259, which was passed by the Council on July 5 with 33 votes for and 0 against.

INCLUSIONARY ZONING BILL SUBSTITUTE BL2016-133

AFFORDABLE & WORKFORCE HOUSING GRANTS BILL BL2016-342

On September 6, after more than a year of study and debate, the Metro Council passed two pieces of affordable housing legislation, creating inclusionary zoning (Substitute BL2016-133 [Allen, Mendes]) and establishing grants for affordable and workforce housing (BL2016-342 [Pridemore, Allen and others]). The grants bill can stand alone or serve as a mechanism to provide incentives for developers creating affordable and/or workforce housing through the inclusionary zoning program.

Chamber staff actively participated in crafting Metro Council's affordable housing legislation and – more importantly – brought Chamber members from the development community and the lending community to the table to make their concerns heard and offer solutions to some of the issues with the original bills. After significant work with the bill sponsors and the Mayor's Office, the Chamber was able to endorse BL2016-133 and BL2016-342. Substitute BL2016-133 was adopted by Council with 36 votes for and 0 against. BL2016-342 was adopted by Council, 35 for and 1 against.

ISSUES TO WATCH

Downzoning and Moratoriums

Even as Metro Council wrestled with how to encourage the creation of more affordable and workforce housing, Council members also filed legislation to downzone two properties currently zoned for multi-family development in the Antioch community. "Downzoning" occurs when a zone change reduces the entitlements on a property. BL2016-219 (K. Johnson) and BL2016-297 (Dowell) both seek to downzone property without the property owners' consent. These bills have been deferred to April and February, respectively.

Council members Dowell, K. Johnson and Vercher also proposed a 120-day moratorium on building and grading permits for multi-family housing in their districts within the Antioch community (BL2016-376). This bill was deferred indefinitely.

The Chamber opposed the moratorium and continues to oppose the downzonings. These bills send a dangerous signal to property owners that their investment in property in Nashville/Davidson County is not secure. BL2016-219 is made worse by the fact that the property owner has secured a Low-Income Housing Tax Credit (LIHTC) – a very competitive tax credit that allows the owner to build affordable housing on a prominent corridor served by transit, which is an ideal location for workers in Nashville.

The Chamber is committed to supporting predictable, transparent development and zoning policies and procedures to encourage development and investment. We are concerned that a pattern is emerging that threatens the predictable environment that is crucial for individuals and businesses to feel confident investing in Nashville/Davidson County.

Sustainable Fiscal Policies

To improve the region's quality of life and attract and retain residents and workers, the Chamber is actively involved in work on pre-K through 12 education, postsecondary education and transit, among other issues. The Chamber understands that Metro makes significant investments in these areas and in many others to secure our city's quality of life and competitive advantage. The Chamber is concerned, then, by the unfunded liabilities created by Metro's retiree health benefits system.

In 2013, Mayor Karl Dean appointed a Study and Formulating Committee to assess the system of benefits for current and future Metro employees. This committee was re-appointed in late 2014 and concluded its work in 2015. The committee found that Metro's retiree health care obligations are not pre-funded, but are managed on a "pay-as-you-go" basis and have a projected liability of \$2.6 billion. The committee also discovered that pensions account for the bulk of Metro's retirement costs and pension costs doubled from 2002 to 2014, but retiree health benefits payments grew by 360 percent during the same time period.

The Study and Formulating Committee recommended that Metro continue to provide the retiree medical subsidy for current employees, but discontinue the retiree medical subsidy upon eligibility for Medicare at age 65 for future Metro employees, except those covered by the Police and Fire Pension Plan. These recommendations were not adopted by the Metro Benefit Board. The unfunded liability inherent in the current post-retirement medical benefits package remains and will only grow, particularly if Metro's investment returns deteriorate, the cost of health care increases and/or future property tax growth declines.

The Chamber supports responsible fiscal policy that ensures the long-term financial health and prosperity of the city. The Chamber will continue to work for a resolution to this pressing issue.

2016 NASHVILLE METRO COUNCIL INDIVIDUAL VOTE COUNT

MID YEAR UPDATE

Council Member	BL2016-252 Capital Budget	BL2016-234 Gas Compressor Station			RS2016-219 Gas Compressor Station		BL2016-259 Schulman Transit Bill	
	F	F	C	C *	F	C	F	C
John Cooper (at large)	✓	✓			✓		✓	
Erica Gilmore (at large)	✓	✓	PNV		✓	✓	✓	
Sharon Hurt (at large)	✓	✓	✓		✓	✓	✓	
Bob Mendes (at large)	✓	✓			✓		✓	
Jim Shulman (at large)	✓	✓		NVR	✓		✓	
Nick Leonardo (1)								
Decosta Hastings (2)	✓	✓	NVR		✓	NVR	✓	
Brenda Haywood (3)	✓	✓			✓		✓	
Robert Swope (4)	NVR	X		X	✓		✓	
Scott Davis (5)	✓	✓			NVR		NVR	
Brett Withers (6)	✓	✓			✓		✓	
Anthony Davis (7)	✓	✓			✓		✓	
Nancy VanReece (8)	✓	✓	✓		✓	✓	✓	
Bill Pridemore (9)	✓	✓			✓		✓	
Doug Pardue (10)	NVR	X			✓		✓	✓
Larry Hagar (11)	✓	✓			✓		✓	✓
Steve Glover (12)	✓	X			✓		✓	
Holly Heuzo (13)	✓	NVR		X	NVR		NVR	✓
Kevin Rhoten (14)	✓	PNV			✓		✓	
Jeff Syracuse (15)	✓	✓			✓		✓	
Mike Freeman (16)	✓	✓			✓		✓	✓
Colby Sledge (17)	✓	PNV	X		✓	✓	✓	
Burkley Allen (18)	✓	PNV			✓		✓	
Freddie O'Connell (19)	✓	PNV			✓		✓	
Mary Carolyn Roberts (20)	✓	✓			✓		✓	
Ed Kindall (21)	✓	NVR			NVR		NVR	
Sheri Weiner (22)	✓	NVR	X		NVR	NVR	NVR	✓
Mina Johnson (23)	✓	✓			✓		✓	
Kathleen Murphy (24)	✓	✓			✓		✓	
Russ Pulley (25)	✓	✓	✓		✓	✓	✓	
Jeremy Elrod (26)	✓	PNV			✓		✓	NVR
Davette Blalock (27)	✓	PNV			✓		✓	
Tanaka Vercher (28)	✓	✓			✓		✓	
Karen Johnson (29)	✓	✓			✓		✓	
Jason Potts (30)	✓	NVR			NVR		NVR	✓
Fabian Bedne (31)	✓	✓			✓		NVR	
Jacobia Dowell (32)	✓	✓			✓		✓	
Sam Coleman (33)	✓	✓		✓	✓		✓	
Angie Henderson (34)	✓	✓			✓		✓	
Dave Rosenberg (35)	✓	✓		✓	✓		✓	

Substitute BL2016-133 Inclusionary Zoning			BL2016-342 Affordable Housing Grants Bill
F	C	C (3rd)	F
✓			X
✓	✓		✓
✓			✓
✓	✓	✓	✓
✓			✓
✓			✓
PNV	✓		✓
✓			✓
✓			✓
✓	NVR		✓
✓	✓		✓
✓			✓
✓			✓
✓			✓
✓			✓
✓	✓	✓	✓
PNV			PNV
NVR			NVR
✓			✓
✓			✓
✓	✓	✓	✓
✓	✓	✓	✓
✓			✓
✓			✓
✓			✓
PNV			✓
✓			✓
✓			✓
✓	✓	✓	✓
✓			✓
✓			PNV
✓			✓
✓	NVR	✓	✓
✓			✓
✓			✓
✓			PNV

Davidson County delegation

✓ In support of Chamber position

X In opposition to Chamber position

NVR: No vote recorded (absent)

PNV: Present but not voting

Where no committee vote is listed, the committee voted unanimously in support of the bill.

Health, Hospitals, and Social Services

Codes, Fair, and Farmers Market

Adhoc Affordable Housing

Traffic, Parking and Transportation

Blank spaces indicate that the legislator did not sit on that particular committee, so he/she did not have an opportunity to vote.

* Committee votes for BL2016-234 are the recollection of the Council members. The Codes Committee vote on BL2016-234 was tied 2-2, which means no decision was reached and the committee made no formal recommendation to the Council.



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