

MEMORANDUM OF AGREEMENT BETWEEN

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

AND

NASHVILLE DISTRICT MANAGEMENT CORPORATION, INC.

FOR

ADMINISTRATION

OF

THE NASHVILLE CENTRAL BUSINESS IMPROVEMENT DISTRICT

This memorandum of agreement (this "MOA") is entered into as of the 1st day of July, 1998, by and between **THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**, a municipal corporation of the State of Tennessee ("Metro") and **NASHVILLE DISTRICT MANAGEMENT CORPORATION, INC. ("NDMC")**, a Tennessee not-for-profit corporation.

WITNESSETH

WHEREAS, Tenn. Code Ann. § 7-84-501, et seq., authorizes Metro to create by ordinance a central business improvement district ("CBID"), which is initiated by a petition filed by at least 51% of the property owners representing at least 67% of the assessed value of each CBID; and

WHEREAS, Ordinance No. 098-1037 amended Title 2 of the Metropolitan Code of Laws and created the initial CBID to operate until January 1, 2003 and authorized the appointment of a corporation to act as an advisory board to the CBID with the necessary powers and authority to carry out the purposes and intent of the CBID; and

WHEREAS, Ordinance No. BL2002-1064, adopted on June 21, 2002, amended Title 2 of the Metropolitan Code of Laws to extend the term of the CBID from January 1, 2003 to December 31, 2007; and

WHEREAS, Tenn. Code Ann. § 7-84-501, et seq., Ordinance No. 098-1037 and Ordinance No. 2002-1064 authorize Metro to collect special assessments ("Special Assessments") from all property owners within the CBID; and

WHEREAS, NDMC is a Tennessee not-for-profit corporation that is vested with the necessary powers and authority to carry out the purposes and intent of the CBID; and

WHEREAS, Ordinance No. 2002-1064 authorizes the Metropolitan Mayor to execute this MOA with the NDMC to carry out the purposes of the Ordinance;

NOW, THEREFORE, for the mutual promises and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. **Agreement Documents.** This MOA is comprised of the following documents:

(a) this MOA; and

(b) any written amendment duly authorized and executed by the authorized representatives of the parties hereto and filed in the office of the Metropolitan Clerk.

2. **Duties and Responsibilities of NDMC.**

a. NDMC shall provide all program administration of the CBID of Nashville and Davidson County (the "Program") in accordance with Tenn. Code Ann. §§ 7-84-501, et seq., which may include, without limitation, the following duties within the CBID:

(i) Acquiring, constructing or maintaining parking facilities;

(ii) Acquiring, constructing or maintaining public improvements;

(iii) Acquiring real property, or an interest therein, in connection with a public improvement;

(iv) Providing services for the improvement and operation of the District and supplementing those provided by Metro, as follows:

- A. Promoting and marketing the CBID;
- B. Advertising the CBID;
- C. Meeting the health and sanitation needs of the CBID;
- D. Maintaining public safety;
- E. Eliminating problems related to traffic and parking;
- F. Providing security services;
- G. Providing recreation;

- H. Providing cultural enhancements;
- I. Providing activities in support of business or residential recruitment, retention and management development;
- J. Enhancing aesthetic improvements, including the decoration, restoration or renovation of any public space or of building facades and exteriors in public view that confer a public benefit;
- K. Professional management, planning and promotion;
- L. Providing consultation with respect to planning, management, and development activities;
- M. Furnishing music in for public places within the CBID;
- N. Providing design assistance; and
- O. Such other services as are authorized by Tennessee Code Annotated, § 7-84-520.

(v) Entering into contracts and agreements with other persons or entities.

(vi) Hiring employees or retaining agents, engineers, architects, planners, consultants, attorneys and accountants.

(vii) Acquiring, constructing, installing and operating public improvements contemplated by Ordinance No. 2002-1064 and all property rights or interests incidental or appurtenant thereto, and disposing of real and personal property and any interest therein including leases and easements in connection therewith.

(viii) Managing, controlling and supervising:

- A. All the business and affairs of the CBID.
- B. Acquiring, constructing, installing and operating all public improvements within the CBID.
- C. Operating CBID services not operated by Metro.

(ix) Constructing and installing improvements across and along any CBID public street, alley, highway, stream of water or water course in accordance with federal, state and local laws, rules or regulations.

(x) Constructing and operating childcare facilities.

(xi) Accepting, administering and complying with the conditions and requirements respecting any appropriation of funds or any gift, grant or donation of property or money to the CBID; and

(xii) Exercising all rights and powers necessary or incidental to or implied from the specific powers conferred by Tenn. Code Ann. § 7-84-501, et seq.

b. All CBID services set forth hereinabove shall be provided by NDMC as a service to and in support of Metro and such services shall be paid for by revenues from the Special Assessments that are collected by Metro. The Special Assessments shall be used to supplement the existing level of services within the CBID, which are the same as those provided throughout the urban services district by Metro. In carrying out these responsibilities, the NDMC must comply with all applicable provisions of law, including, without limitation, Tenn. Code Ann. § 7-84-501, et seq., all city resolutions and ordinances, and all regulations lawfully imposed by the Comptroller of the State of Tennessee and other state agencies.

c. NDMC intends to continue the following improvement programs within the CBID:

- (i) Security Enhancement – continuation of additional, unarmed security patrols within the CBID;
- (ii) Downtown Marketing – continuing business recruitment and retention materials, promoting downtown Nashville to consumers through publications, programming and expansion of current visitor marketing efforts; and
- (iii) Continuously Improving downtown beautification, sanitation and maintenance.

d. NDMC shall prepare a monthly financial report ("Monthly Report"), in a form satisfactory to the Metro Director of Finance, that will be sent to the Mayor and the Metro Director of Finance by the twentieth (20th) day of the month during the term of this MOA that follows the month to which such report relates. The Monthly Report shall include information relating to all expenditures made and activities undertaken during the preceding month.

e. NDMC agrees to reimburse Metro for any use of funds disbursed by Metro that are not used in accordance with this MOA as determined by Metro. No later than three (3) months after the expiration of this MOA, NDMC shall submit to the Metro Director of Finance an audited financial statement performed by a certified public accounting firm with experience in governmental or not-for-profit auditing. Any such audit shall be performed in accordance with generally accepted auditing standards. Such audit shall include and be combined with an audit of all financial activities of NDMC. The existence of more than one contract, agreement or

grant between NDMC and Metro shall only require one annual audit of NDMC.

3. **Duties and Responsibilities of Metro.** Metro agrees to provide the same level of service to the CBID that it provides to other property owners located within the urban services district. Metro also agrees that the level of urban services provided to the CBID will not be decreased as a result of the enhanced level of services provided through the Special Assessments collected by Metro and paid to NDMC; provided, however, the level of urban services may be decreased for other reasons, that include, without limitation, budgeting, decreases in funding for the Project or revocation of the CBID as provided by applicable law.

4. **Term.** The term of this MOA shall commence on the 1st day of July, 2002, (hereinafter "Commencement Date") and expire on the 30th day of June, 2003 (hereinafter "Expiration Date"). This MOA may be renewed each year for an additional one-year term upon written notice received of each party by the other by no later than the first day of May during the year prior to each additional term.

5. **Budget - Monthly Payments.** NDMC has caused an operating budget ("Operating Budget") to be prepared in a form that is satisfactory to the Metro Director of Finance, which is attached hereto as part of the Management Plan as Exhibit A, and reflects all amounts necessary for NDMC to perform its duties and obligations, as set forth in Section 2 hereinabove. NDMC will receive the funds as they are collected, from the Special Assessments that are collected by Metro pursuant to Tenn. Code Ann. § 7-84-101, et seq. and Ordinance No. 2002-1064. The funds will be paid to NDMC on the first day of the month for the amounts collected the previous month. NDMC shall receive funds as collected as long as there are no requests for re-assessment or disputes on the amount owed. Once the dispute is resolved, NDMC shall receive those funds. It is agreed and understood by NDMC that there are no other charges or fees for the performance of this MOA and that the Operating Budget is an accurate reflection of how the Special Assessments will be spent during the term of this MOA.

6. **Taxes.** It is specifically agreed and understood by the parties hereto that Metro shall not be responsible for any taxes that are imposed on NDMC. Furthermore, NDMC understands that it cannot claim exemption from taxes by virtue of any exemption that is provided to Metro.

7. **Remedies for Default - - Termination.**

(a) **Remedies for Default.** Should NDMC fail to fulfill in a timely and proper manner its obligations under this MOA or if it should violate any of the terms of this MOA, Metro shall have the right to immediately terminate this MOA. Such termination shall not relieve NDMC of any liability to Metro for damages sustained by virtue of any breach by NDMC. Metro

may, in its sole and absolute discretion, cure any NDMC default without terminating this MOA, whereby NDMC agrees to reimburse Metro within ten days of receiving written notice from Metro, as provided hereunder, that itemizes the cost borne by Metro to cure such default.

(b) Termination - - Funding. Should Metro discontinue funding for this MOA, Metro shall have the right to terminate this MOA immediately upon written notice to NDMC.

(c) Termination - - Notice. Metro may terminate this MOA for convenience ("Termination for Convenience") on thirty (30) days written notice to NDMC. Should Metro terminate for default and it is later determined that NDMC was not in default, then such termination shall be deemed to be a Termination for Convenience.

(d) Effective Date of Termination. This MOA shall terminate effective upon NDMC's actual receipt of written notice from Metro if the same is hand-delivered or if sent via first class U.S. Mail or via a nationally recognized commercial delivery service, the date when notice was actually sent.

8. Compliance with laws. NDMC agrees to comply with all applicable federal, state, and local laws and regulations.

9. Notices.

Notices to Metro shall be sent to:

Dep't: Metropolitan Department of Finance
Att'n: David Manning, Director
Addr: 102 Metro Courthouse
Nashville, Tennessee 37201

Notices to NDMC shall be sent to:

C/O Nashville Downtown Partnership
161 Fourth Avenue North
Nashville, TN 37219
Attn: Executive Director

10. Maintenance of Records. NDMC shall maintain documentation for all charges against Metro. The books, records, and documents of NDMC, insofar as they relate to work performed or money received under this MOA, shall be

maintained for a period of three (3) full years from the date of final payment and will be subject to audit, at any reasonable time and upon reasonable notice by Metro or its duly appointed representatives. The records shall be maintained in accordance with GAAP and GASB at all times during the term of this MOA.

11. **Metro Property.** Any Metro property, including but not limited to books, records and equipment, that is in NDMC's possession shall be maintained by NDMC in good condition and repair, and shall be returned to Metro by NDMC upon termination of this MOA. All goods, documents, records, and other work product and property produced during the performance of this MOA are deemed to be Metro property.

12. **Modification of MOA.** This MOA may be modified only by written amendment executed by all parties and their signatories hereto.

13. **Partnership/Joint Venture.** Nothing herein shall in any way be construed or intended to create a partnership or joint venture between the parties or to create the relationship of principal and agent between or among any of the parties. None of the parties hereto shall hold itself out in a manner contrary to the terms of this paragraph. No party shall become liable for any representation, act or omission of any other party the provisions of this MOA, it is specifically agreed and understood that Metro has no financial interest in the business of NDMC, and shall not be liable for any debts or obligations incurred by NDMC. The status of the parties is not that of agent and servant, but rather, an independent contractor relationship. NDMC shall not, at any time or times, use the name or credit of Metro in entering into contracts, applying for credit or purchasing or attempting to purchase any equipment, supplies or property of any type whatsoever.

14. **Waiver.** No waiver of any provision of this MOA shall affect the right of any party thereafter to enforce such provision or to exercise any right or remedy available to it in the event of the other party's default.

15. **Employment.** NDMC shall not subscribe to any personnel policy that permits or allows for the promotion, demotion, employment, dismissal or laying off of any individual due to race, creed, color, national origin, age, sex, or that is in violation of applicable laws concerning the employment of individuals with disabilities.

16. **Fidelity bond.** NDMC shall provide a fidelity bond to insure the good and faithful handling of money for the protection of Metro in the amount of One Hundred Thousand Dollars (\$100,000) by a company licensed to do business in the State of Tennessee with a financial rating of at least A/VIII as rated in the most recent edition of *Best's Insurance Reports*, and approved by Metro. The fidelity bond so provided shall cover all employees of NDMC who handle any funds received from Metro relating to the Program.

17. **Contingent Fees.** NDMC hereby represents that NDMC has not been retained or retained any persons to solicit or secure a Metro contract or agreement upon an agreement or understanding for a contingent commission, percentage, or brokerage fee, except for retention of bona fide established commercial selling agencies for the purpose of securing business. Breach of the provisions of this paragraph is, in addition to a breach of this MOA, a breach of ethical standards that may result in civil or criminal sanction and/or debarment or suspension from being a contractor or subcontractor under Metro contracts.

18. **Gratuities and Kickbacks.** It shall be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement of a contract or subcontract or to any solicitation or proposal therefor. It shall be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract or the prime contractor or higher tier subcontractor or a person associated therewith, as an inducement for the award of a subcontract or order. Breach of the provisions of this paragraph is, in addition to a breach of this MOA, a breach of ethical standards that may result in civil or criminal sanction and/or debarment or suspension from being a contractor or subcontractor under Metro contracts.

19. **Indemnification and Hold Harmless.** NDMC shall indemnify and hold harmless Metro, its officers, agents and employees from:

- (a) Any claims, damages, costs and attorney fees for injuries or damages arising, in part or in whole, from the negligent or intentional acts or omissions of NDMC, its officers, employees and/or agents, including its sub or independent contractors, in connection with the performance of this MOA; and,
- (b) Any claims, damages, penalties, costs and attorney fees arising from any failure of NDMC, its officers, employees and/or agents, including its sub or independent contractors, to observe applicable laws, including, but not limited to, labor laws and minimum wage laws.

- (c) Metro will not indemnify, defend or hold harmless in any fashion NDMC from any claims, whether arising from this MOA or any understanding between the parties, regardless of any language in any attachment or other document that NDMC may provide. Metro shall be responsible only for the acts/omissions of its officers, employees and/or agents.
- (d) NDMC shall pay Metro its expenses incurred as a result of NDMC's failure to fulfill its obligations in a professional and timely manner under this MOA.

20. **Attorney Fees.** NDMC agrees that, in the event either party deems it necessary to take legal action to enforce any provision of this MOA, and in the event Metro prevails, NDMC shall pay all expenses of such action including Metro's attorney fees, costs and expenses at all stages of the litigation.

21. **Assignment - - Consent Required.** The provisions of this MOA shall inure to the benefit of and shall be binding upon the respective successors and assignees of the parties hereto. Neither this MOA nor any of the rights and obligations of NDMC hereunder shall be assigned or transferred in whole or in part without the prior written consent of Metro. Any such assignment or transfer shall not release NDMC from its obligations hereunder.

22. **Entire MOA.** This MOA sets forth the entire agreement between the parties with respect to the subject matter hereof and shall govern the respective duties and obligations of the parties. The parties hereto warrant and represent that there are no prior or contemporaneous oral or written understandings that contradict, modify or supplement this MOA, it being the intent of the parties hereto that the Agreement Documents comprise the entire intent of the parties hereto.

23. **Force Majeure.** No party shall have any liability to the other hereunder by reason of any delay or failure to perform any obligation or covenant if the delay or failure to perform is occasioned by force majeure, meaning any act of God, storm, fire, casualty, unanticipated work stoppage, strike, lockout, labor dispute, civil disturbance, riot, war, national emergency, act of government, act of public enemy, or other cause of similar or dissimilar nature beyond its control.

24. **Governing Law.** The validity, construction and effect of this MOA and any all extensions and/or modifications thereof shall be governed by the laws of the State of Tennessee. Tennessee law shall govern regardless of any language in any attachment or other document that NDMC may provide.

25. **Venue.** Any action between the parties arising in connection with this MOA shall be maintained in the courts of Davidson County, Tennessee.

27, **Severability**. Should any provision of this MOA be declared to be invalid by any court of competent jurisdiction, such provision shall be severed and shall not affect the validity of the remaining provisions of this MOA.

28. **Effective Date**. This MOA shall not be binding upon the parties until it has been signed first by NDMC and then by the authorized Metro representatives and filed in the office of the Metropolitan Clerk. When it has been so signed and filed, this MOA shall be effective as of the Effective Date.

IN WITNESS WHEREOF, The Metropolitan Government of Nashville and Davidson County and Nashville District Management Corporation, Inc., have executed their signatures as of the date first above-written.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

NASHVILLE DISTRICT MANAGEMENT CORPORATION, INC.

RECOMMENDED AND APPROVED:

David Manning
David Manning
Director of Finance

By: *[Signature]*
Its: Chairman

MAYOR:

Bill Purcell
Bill Purcell

Sworn to and subscribed to before me, a Notary Public, this 19th day of July, 2002, by Douglas R. Kitcher the CHAIRMAN of NDMC and duly authorized to execute this instrument on NDMC's behalf.

ATTEST:

Marilyn S. Buring
Metropolitan Clerk

Sandra D. Venable
Notary Public
My Commission Expires MAY 28, 2003

APPROVED AS TO INSURANCE:

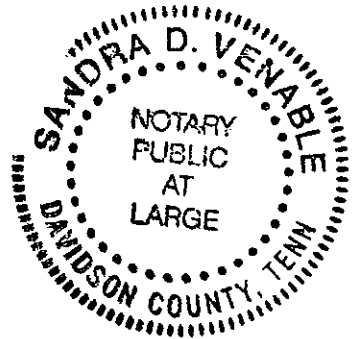
Joe Cleveland
Director of Insurance

APPROVED AS TO FORM AND LEGALITY:

Jeanette [Signature]
Metropolitan Attorney

FILED IN THE OFFICE OF THE METROPOLITAN CLERK:

M. Buring
Date: 8/06/02



ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)
07/18/02

PRODUCER
Gale Smith + Company
 110 Winners Circle, 2nd Floor
 P. O. Box 2248
 Brentwood, TN 37024-2248

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED
Nashville District Management Corp. Inc
 211 Commerce Street #100
 Nashville, TN 37201

INSURER A: **Union Standard Insurance Group**
 INSURER B: **National Casualty**
 INSURER C:
 INSURER D:
 INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY	NP1101659113	12/02/01	12/02/02	BACH OCCURRENCE	\$1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (Any one fire)	\$50,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MBD BXP (Any one person)	\$5,000
					PERSONAL & ADV INJURY	\$1,000,000
					GENERAL AGGREGATE	\$2,000,000
					PRODUCTS - COMP/OP AGG	\$2,000,000
					GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO. <input type="checkbox"/> LOC	
A	AUTOMOBILE LIABILITY	NP1101659113	12/02/01	12/02/02	COMBINED SINGLE LIMIT (Ba accident)	\$1,000,000
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$
	GARAGE LIABILITY				AUTO ONLY - BA ACCIDENT	\$
	<input type="checkbox"/> ANY AUTO				OTHER THAN BA ACC AGG	\$
	EXCESS LIABILITY				BACH OCCURRENCE	\$
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$
	<input type="checkbox"/> DEDUCTIBLE					\$
	RETENTION \$					\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS	OTH-RR
					B.L. EACH ACCIDENT	\$
					B.L. DISEASE - BA EMPLOYEE	\$
					B.L. DISEASE - POLICY LIMIT	\$
B	OTHER Directors & Officers	DE00001326	12/02/01	12/02/02	\$1,000,000 Limit	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
Certificate Holder named as additional insured under commercial general liability policy.

CERTIFICATE HOLDER	ADDITIONAL INSURED; INSURER LETTER	CANCELLATION
Metropolitan Govt of Nashville & Davidson Co 222 3rd Avenue North #501 Dept of Law Insurance & Claims Nashville, TN 37201		SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE <i>Christie L. Reeves, CPCU</i>

IMPORTANT

If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

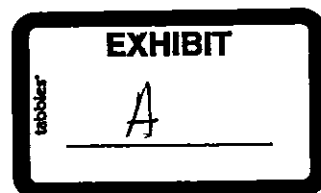
The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

Management Plan

For
A Central Business Improvement District
(CBID)

In Downtown
Nashville, Tennessee

February, 2002



MANAGEMENT PLAN
For the
Central Business Improvement District
Nashville, Tennessee

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Section 1

What is a Central Business Improvement District?

The International Downtown Association estimates that more than 1200 property-based business improvement districts (CBID) currently operate throughout the United States and Canada. A CBID provides enhanced improvements and activities, such as security, maintenance and marketing, in addition to those provided by local government.

A Property-Based Business Improvement District (CBID) is based upon the "benefit assessment district" concept, which provides for an assessment on commercial property to be raised within a specific geographic district with the proceeds directed back to the district to provide services that benefit the district.

Some of the advantages of a CBID are:

- A CBID allows a wide range of service options, including security, maintenance, marketing, economic development, special events, etc.
- It is designed and created by those who will pay the assessment.
- It is governed by those who pay through a property and business owner Board that supervises operations and submits a yearly service plan.
- It is implemented by those who pay...through a non-profit, private sector, management organization.
- To be established or renewed requires petition support from property owners.
- Provides for a 5-year life and requires a new petition process to renew a district.

Section 2

Management Plan

Developed by the Nashville Downtown Partnership Committees and Board, the Central Business Improvement District Plan is proposed to improve and convey special benefits to properties located within the Central Business Improvement District. The Business Improvement District will provide new and continued improvements and activities, including public space management, communications, development, access and parking and special programs above and beyond those currently provided by the Metro Government. This approach has been successfully working in downtown Nashville since 1999.

Location: Approximately 65 blocks

Improvements, Activities, Services:

PUBLIC SPACE MANAGEMENT	\$147,048	21%
Enhanced Security Programs		
• Bike/Foot Patrol		
Maintenance Programs		
• Sidewalk Machine Scrubbing		
• Graffiti & Handbill Removal		
• Trash Removal		
Streetscape/Landscape Programs		
COMMUNICATIONS AND MARKETING	\$111,000	16%
• Destination Marketing		
• Special Events/Entertainment		
• Market/Economic Research		
• Stakeholder Communication		
• Image Enhancement Programs		
DEVELOPMENT	\$84,000	12%
• Business Recruitment and Retention		
• Broker Support Materials		
• Residential Development		
ACCESS & PARKING	\$88,000	12%
• Shuttle Programs		
• Parking Support/Research		
• Signage/Wayfinding Programs		

SPECIAL PROJECTS	\$40,000	6%
<ul style="list-style-type: none"> • Street Furniture/Landscape • Public Art • Public Space Improvements • Communication/Access/Development Projects 		
ADMINISTRATION	\$183,500	28%

Method of Financing: A levy of assessments upon real property that benefits from the improvements and activities.

Budget: Total district budget for the 2003 year of operation is approximately \$653,548.

Cost: Annual assessments are based upon an allocation of program costs by assessed value. First-year assessments on assessable square feet will not exceed:

\$0.0015 per dollar of assessed value

Cap: Assessments will be subject to changes in the Nashville Area Consumer Price Index (CPI), for all urban consumers, annual increases not to exceed 5% per year. Increases will be determined by the management district board and will vary between 0 and 5% in any given year.

City Services: The Metro Council has established a policy that aims to ensure that existing City services will continue to be provided within the CBID.

District Formation: District formation requires submission of petitions from property owners representing more than 50 % of total property owners and also representing more than 2/3 of the assessed value within the district.

Duration: The district will have a 5-year life beginning January 1, 2003. After 4 years, the petition process must be repeated for the district to continue.

Governance: The Board of Directors of the Nashville Downtown Partnership, which is composed of property and business owners located within the District, will recommend Management District budgets and policy to the CBID Board. Budgets and policies will be revised annually within the maximum assessment levels to meet the needs of the district. Annual budgets will be presented to Metro Council for review.

Section 3

Central Business Improvement District Boundaries

An approximate 65-block area has been identified for the Central Business Improvement District. District boundaries are identified by the map on page 6 of this report.

District Boundaries

The District includes all properties within a boundary of:

The Western boundary is: between Charlotte and Union, the center line of 6th Avenue North; between Union and Broadway, the western property line of all property facing on the west side of 8th Avenue North; from Broadway to the first parcel south of Demonbreun along the western property line of parcels #093-09-0-326, #093-09-0-327 and #093-09-0-331.

The Northern boundary is: beginning at intersection of Union and James Robertson Parkway, proceeding east to 8th Avenue North; from 8th Avenue North to 1st Avenue North, the northern boundary is Charlotte Avenue; from 1st Avenue North to the Cumberland River, the northern boundary is Woodland Street.

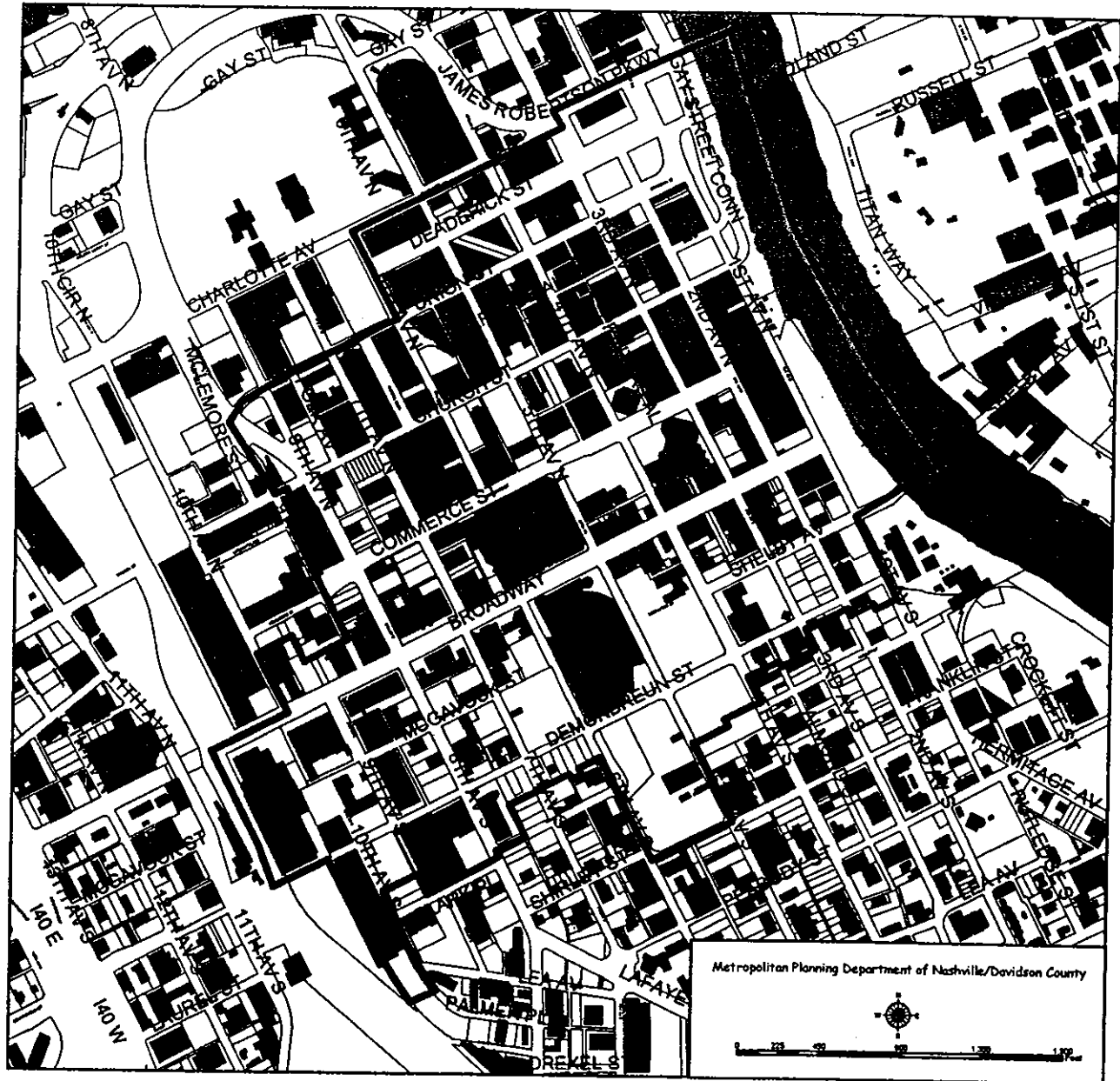
The Eastern boundary is: from Charlotte Avenue to Woodland Street, 1st Avenue North; from Woodland Street to Shelby Avenue, the Cumberland River; from Shelby Avenue to Demonbreun, 1st Avenue South.

The Southern boundary is: the south property line of all parcels facing on the south side of Demonbreun between 1st Avenue South on the east and including parcel #093-09-0-331 on the west.

The specific boundaries of the Central Business Improvement District are also shown in the map on page 6.

CENTRAL BUSINESS IMPROVEMENT DISTRICT

N D



Budget

Budget Item	Partnership Budget Current	Partnership Budget Proposed	Percent	CBID Assessment	Membership Income	Event Income	Parking Contribution
Public Space Management							
Security		\$97,928	14%	\$97,928			
Maintenance		\$49,119	7%	\$49,119			
Total Public Space Management	\$180,000	\$147,048	21%	\$147,048			
Communication/Events	\$108,750	\$111,000	16%	\$111,000		\$0	
Development	\$25,000	\$84,000	12%	\$84,000			
Special Projects	\$49,000	\$40,000	6%	\$40,000			
Access & Parking	\$84,500	\$88,000	12%	\$88,000			\$0
Advocacy/Administration	\$245,680	\$243,500	34%	\$183,500	\$60,000		
Total Budget	\$692,930	\$713,548	100%	\$653,548	\$60,000	\$0	\$0
Total Assessed Value				\$435,697,500			
Assessment per \$1	\$0.0015			\$0.0015			

BUDGET ITEM	2002	2003	2004	2005	2006
Public Space Management	\$ 147,048	\$154,400	\$162,120	\$170,226	\$178,737
Communication/Events	\$ 111,000	\$116,550	\$122,378	\$128,496	\$134,921
Development	\$ 84,000	\$88,200	\$92,610	\$97,241	\$102,103
Special Projects	\$ 40,000	\$42,000	\$44,100	\$46,305	\$48,620
Access/Transportation	\$ 88,000	\$92,400	\$97,020	\$101,871	\$106,965
Administration/Advocacy	\$ 183,500	\$192,675	\$202,309	\$212,424	\$223,045
Total Partnership Budget	\$ 653,548	\$ 686,225	\$ 720,536	\$ 756,563	\$ 794,391
Assumes Maximum 5% Increase Yearly					

Section 4

Assessment Methodology

Assessment Methodology

Downtown Nashville property owners and business owners have emphasized that the assessment formula for the District must be fair, balanced and have a direct relationship between benefits received and costs.

Calculation of Assessments

The preceding methodology is applied to a database that has been constructed by the Downtown Nashville Property Owners and its consultant team. The process for compiling the property database includes the following steps:

- Property data was first obtained from the Metro Assessor's Office.
- Metro assessor property data was cross-checked with reliable private sector data sources.
- A site survey was undertaken to verify selective data.

Based upon the methodology as set forth above, property data compiled by the Downtown Nashville Property Owners and the CBID budget will yield the following assessments.

The annual yearly assessments will not exceed the rates listed below during the first year of the CBID.

Assessment Rate
Per Dollar of Assessed Value \$0.0015

In future years, assessments may change, up or down, if assessed value information changes and/or CBID budgets change pursuant to the Consumer Price Index adjustment as detailed below. Assessments will in any event not exceed the limits described in the following section of this Plan.

Annual Assessment Adjustments

CPI Adjustments

Total program revenue may be adjusted each year to reflect the annual change in the Nashville Consumer Price Index (CPI) for all urban consumers. In no case will the annual increase due to CPI increases exceed 5%. Actual annual increases will range from 0% to 5%. Assessments will in any event not exceed the limits in the following table.

2003	2004	2005	2006	2007
.0015	.001575	.001654	.001736	.001823

Budget Adjustments

Any annual budget surplus or deficit will be rolled into the following year's CBID budget. Assessments will be set accordingly, within the constraints of the CPI, to adjust for surpluses or deficits that are carried forward.

Time and Manner for Collecting Assessments

As provided by state law, the Downtown Nashville CBID assessment will appear as a separate line item on annual property tax bills. Existing laws for enforcement and appeal of property taxes apply to the CBID assessments.

Government Assessments

It is the intent of the CBID law to provide services only to those properties that pay assessments. CBID services will not be provided to government properties that do not pay CBID assessments. All reasonable efforts will be made to include government properties on a voluntary basis in the CBID assessment.

Residential Assessments

Single-family residential property that is used exclusively as a residence will not be assessed. Multi-unit residential property will be assessed.

Non-Profit Assessments

Property held in a non-profit status that does not currently pay ad valorem taxes is not required to pay CBID assessments. All reasonable efforts will be made to include non-profit properties on a voluntary basis in the CBID assessment.

Section 5

Governing the Central Business Improvement District

Consistent with business improvement district (BID) legislation throughout the nation, Tennessee's BID law establishes a CBID governance framework that allows property owners who pay assessments to determine how the assessments are used. The following components are required within a CBID governing structure.

Metro Council

Following the submission of petitions from property owners representing more than 50% of the total property owners and more than 2/3 of the assessed value the Council holds a public hearing and then may form the CBID. The CBID is established by an ordinance of the Council, with the power to levy assessment on property.

Private Sector, CBID Management Organization

CBID District budgets and policies will be refined annually, within the limitations set forth in the district implementation plan, by the Central Business Improvement District Board of Directors. The Board of the Central Business Improvement District will be

made up of property owners paying assessments within the district and will be structured to represent all of the property owners and reflect the assessments being paid.

A contract will be executed between the Central Business Improvement District and the Nashville Downtown Partnership, Inc., a private non-profit Downtown development and management organization, to implement the improvements and activities defined by the District Implementation plan. The Board of the Nashville Downtown Partnership will be made up of private property owners, non-profit property owners, public property owners and Downtown Nashville businesses and will reflect the property and business ownership in the Downtown.

Section 6

Continuation of City Services

Throughout the process to establish the Central Business Improvement District, business and property owners have voiced concerns that the City of Nashville maintains existing services at verifiable "baseline" service levels. A formal baseline level of service policy ensures that existing City services are enhanced and not replaced by new CBID improvements and activities.

Section 7

Central Business Improvement District Rules

Contracting For Services

In order to supply the highest level of qualified services at the most reasonable cost the District may contract for services with public agencies, with non-profit public service agencies or with for-profit organizations.

Contracting Of Services

When it is determined to be in the best interest of the District, the District may contract with non-assessment paying property owners to provide District services to those owners.

Exhibit A
Properties To Be Included

MAP-PARCEL-FORMATTED

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 093-02-3 010.00
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