City of Franklin

109 3rd Ave S
Franklin, TN 37064
(615)791-3217

Meeting Agenda

Work Session

Tuesday, August 25, 2015 | **5:00 PM** | **Board Room**

Call to Order

Citizen Comments

WORKSESSION DISCUSSION ITEMS

1. 15-0670 Presentation of Cool Springs Transportation Study Final Report

Attachments: Transportation Multimodal Study.pdf
08-25-15 TMA City of Frankin-Cool Springs Presentation 8-25-15-TranSystems.

2. 15-0721 Consideration of Liquor License Renewal for Franklin Wine and Spirits, (James D. Clark , Managing Agent) 1400 Liberty Pike, Suite #300, Franklin, TN 37064. (08/25/15 WS)

Sponsors: Lanaii Benne

Attachments: 2015 CERT Clark, David .doc

3. 15-0722 Consideration of Liquor License Renewal for Cool Springs Wine and Spirits, (James W. Woodard, Jr., Managing Agent) 1935 Mallory Lane, Franklin, TN, 37067. (08/25/15 WS)

Sponsors: Lanaii Benne

Attachments: 2015 Certificate James Woodard.doc

4. 15-0723 Consideration of Liquor License Renewal for The Bottle Shop at McEwen, (Lisa Quillman and Nancy Jones Quillman, Managing Agents) 1556 W. McEwen Drive, Suite 102, Franklin, TN 37067. (08/25/15 WS)

Sponsors: Lanaii Benne

Attachments: 2015 CERT Quillman.doc

5. 15-0685 *Consideration of Amendment No.03 to the Contract with Kronos (COF Contract No. 2013-0127) for the Kronos Workforce Central Timekeeper software completion in an amount of $21,450. (08/25/15 WS)

Sponsors: Shirley Harmon and Tracy Harness

Attachments: City of Franklin WF v8 Technical Upgade 07July2015
City of Franklin KPC Upgrade Addl Services SOW MG 081015 R1

6. 15-0585

*Consideration of a Utility Relocation Agreement (COF Contract No. 2015-0044) with AT&T Tennessee for the Hillsboro Road Improvements Project Phase 2, from Independence Square to Mack Hatcher Parkway, in the estimated amount of $140,130.60 (06-25-15 CIC; Deferred from 7/14/15 BOMA; 08/25/15 WS)

Sponsors: Engineering

Attachments: COF 2015-0044 HillsboroPh2 ATT Signed

Legislative History

6/25/15	Capital Investment Committee	referred as a Consent Item to the Board of Mayor & Aldermen
7/14/15	Board of Mayor & Aldermen	referred as a Consent Item to the Board of Mayor & Aldermen

7. 15-0720

*Consideration of Resolution 2015-66 to Award the Construction Contract (COF Contract No. 2015-0062) for the Franklin Water Treatment Plant Modifications to Judy Construction Company in the Amount of $14,018,000.00. (08/25/15 WS)

Attachments: WTP - BOMA Presentation 8-25-15 3pm version.pdf

COF WTP LTR BID Award Recommendation 8-6-15.pdf

00026837

8. 15-0549

Consideration of Ordinance 2015-18 to Amend Title 12, Chapter 10 of the Franklin Municipal Code to Amend the International Residential Code, 2012 Edition, Section R408.3 Unvented Crawl Spaces (08/25/15 WS; 9/8/15 BOMA 1st Reading 7-0) SECOND AND FINAL READING

Sponsors: Building and Neighborhood Services (BNS) and Chris Bridgewater

Attachments: 00025973

9. 15-0698

Consideration of Contract Number 2015-0190 - Annual Housing Consultant Contract for 2015-2016 CDBG Program Year with The Housing Fund, Inc. (08/25/15 WS)

Sponsors: Building and Neighborhood Services (BNS) and Chris Bridgewater

Attachments: THE HOUSING FUND CONTRACT 2015-2016 (2of2)

10. 15-0763

*Consideration of Resolution 2015-67, a Resolution of Support for Creation of an Economic Development District in a Block of Downtown Franklin - Harpeth Square Development

Sponsors: Eric Stuckey, Vernon Gerth and Russ Truell

Attachments: RES 2015-67 Resolution in support of TIF district.docx

08-25-15 harpeth square econ impact plan.pdf

harpeth square.pdf

11. 15-0690

Consideration of Resolution 2015-85, a Resolution Authorizing the Issuance, Sale and Payment of up to $12,000,000 in Aggregate Principal Amount of Water and Sewer System Revenue Bonds of the City of Franklin, Tennessee and Making Provision for the Operation of the Municipality and the Collection and Disposition of its Revenues (08/13/15 Finance 4-0; Deferred from 08/25/15 WS)

Sponsors: Eric Stuckey and Russ Truell

Attachments:
Resolution 2015-85 water revenue bonds
SRF Loan Program
SRF Bid Requirements
Summary of Financing Options
SRF Subordination Policy
Proposed SRF Policy and Guidance for Borrowers_Redline_Final Draft 9.21.16
Resolutin 2015-85 Water and Sewer Revenue Bond Resolution

Legislative History

8/13/15	Budget & Finance Committee	acknowledged

12. 15-0745

Consideration of Resolution 2015-68, To Be Entitled: “A Resolution of the Board of Mayor and Aldermen for Amendment Number 2 to the City of Franklin Employees’ Pension Plan” (09/08/15 WS)

Sponsors: Shirley Harmon and Eric Stuckey

Attachments:
RES 2015-68.pdf
RES 2015-68 2nd Amendment.pdf
House Bill 0249

13. 15-0777

Consideration of Resolution 2015-72, A Resolution to Adopt Amendment Number 3 to the City of Franklin Employees’ Pension Plan (09/08/15 WS)

Sponsors: Eric Stuckey and Russ Truell

Attachments:
Resolution 2015-72.docx
Third Amendment to Pension 2015
Pension committee minutes August 2013

Other Business

Adjournment

Anyone requesting accommodations due to disabilities should contact ADA coordinator at 791-3277.

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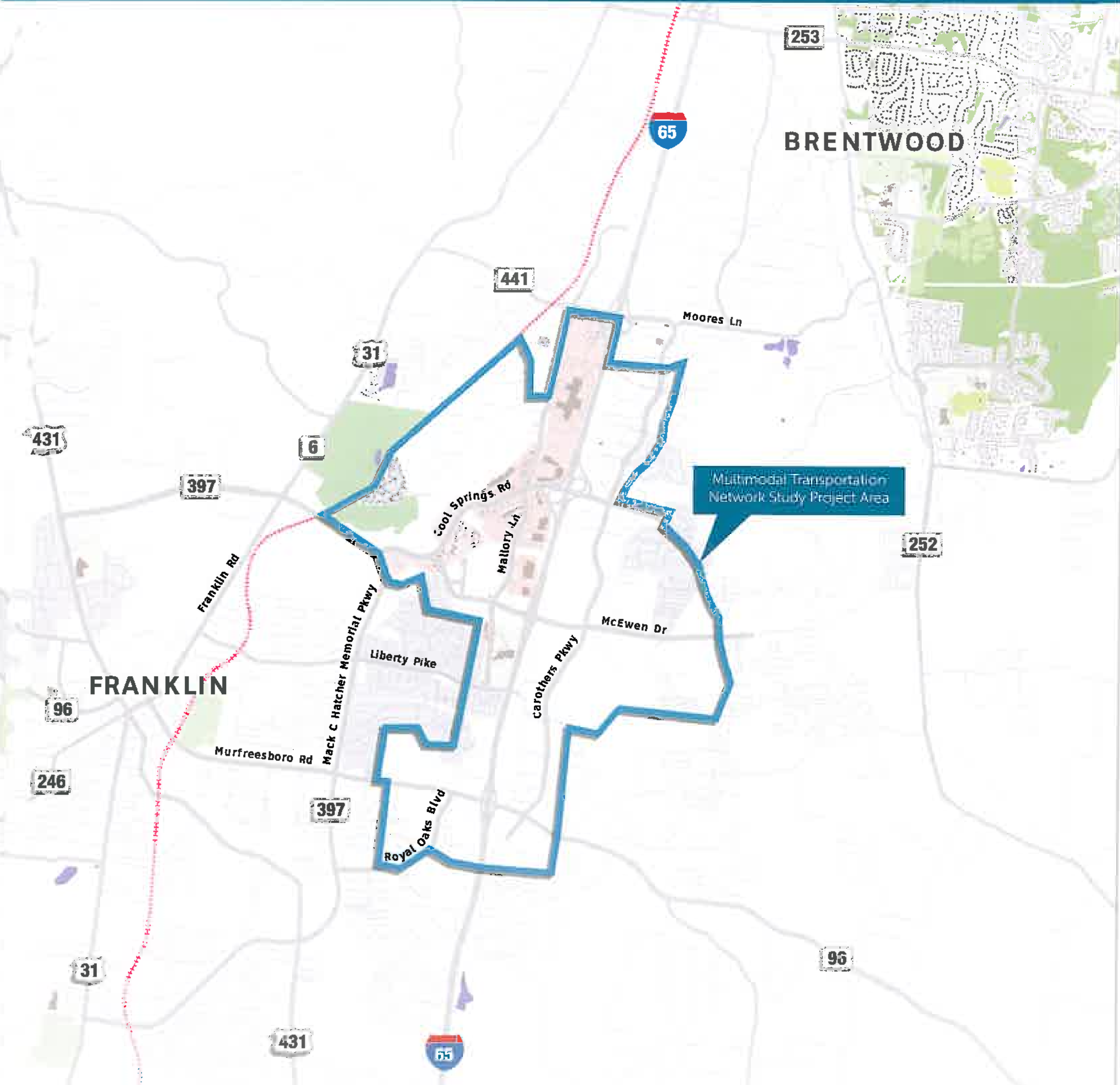


Cool Springs Study Area Map

Cool Springs is a major employment and retail center for the City of Franklin located in Williamson County, Tennessee. It is considered a regional center, drawing shoppers and clients from all around the Middle Tennessee, Southern Kentucky, and North Alabama areas. The upscale development grew around the Cool Springs Galleria shopping mall, which first opened to the public in August 1991. The area has since expanded to encompass land on both sides of Interstate 65 and includes several luxury hotels, strip malls, business parks, office buildings, big box retailers, low-rise apartments, condominiums, and restaurants. The Cool Springs area is home to many major companies including Healthways, Nissan North America, MedSolutions, Community Health Systems and Tasti D-Lite.

Cool Springs Multimodal Transportation Network Study

1. Executive Summary

The Cool Springs Multimodal Transportation Network Study began August 2014 with the objective of improving the mobility options in the Cool Springs area of Franklin, Tennessee. The study area roughly parallels I-65 between Moores Lane and Murfreesboro Road. The principal north-south roads in the area are Carothers Parkway and Mallory Lane. Cool Springs Boulevard, McEwen Drive, and Liberty Pike are other major arterials in the area. See study area map. As background information, an Existing Conditions Report (11-4-14) was prepared at the beginning of the study and is located in the Appendix.

A Brief Overview

The Cool Springs area has seen rapid employment and residential growth in the past two decades, and multiple corporations have located in the area. In addition, several large scale mixed use developments are either proposed or under construction along Carothers Parkway. The existing transportation infrastructure already experiences high levels of congestion even though the area has yet to be fully built out. The TMA Group, the local public transportation provider and administrator of the vanpool and rideshare program throughout Middle Tennessee, recognizes attempting to build a way out of traffic congestion will negatively impact the very "quality of life" that has attracted so many residents and companies to the Cool Springs area in the first place. Instead, it is crucial to address the problem through a multimodal approach incorporating transit riders, bicyclists, pedestrians, and transportation demand management strategies in the solution. The TMA Group contracted with TranSystems to conduct the study. The following document is the result of that collaboration. In addition, as part of the study there was extensive public input. Stakeholder interviews were conducted and almost 100 attendees participated in a full day of public involvement meetings on April 28, 2015. A survey was also distributed and made available online. Over 200 people responded. The results of the public input process are located in Chapter 9 of this report.

In the Short Term

Short-term recommendations for the Cool Springs Multimodal Transportation Network Study focus on increasing local mobility. Three options are presented for extending and reconfiguring local Franklin Transit routes to better serve the Cool Springs area. All the options also add additional express service from Nashville, and a free lunchtime shuttle. The first option adds additional arterial routes along Seaboard Lane, and Carothers Parkway, as well as rerouting the EastBound and SouthBound routes. The second option creates a flex route along Carothers Parkway to directly serve residents and employees east of I-65 with more demand responsive serve. The third option creates a large dual direction loop that would circulate riders throughout the entire study area. Other recommendations relate to infrastructure and rolling stock improvements and include enhancing area bus stops with shelters and concrete pads, establishing a new park and ride lot, and increasing transit capacity by using 30-foot buses instead of cutaway vehicles. Addressing multimodal alternatives, the report also recommends that in the short term, additional bike lanes and off-street trails be added to better connect existing bike routes, and pedestrian infrastructure improvements be added, such as, pedestrian refuges, curb bumpouts and better signalization at intersections to enhance safety. The report also recommends working closely with area employers, property managers, and developers to establish a transportation demand management program.

Medium Term Recommendations

The medium-term recommendations build on the short term recommendations and focus on regional connectivity. With a robust local multimodal system now in place, an express bus network is envisioned to better connect Cool Springs with surrounding areas. Peak hour routes from Nashville, Spring Hill/ Columbia, Murfreesboro, and Antioch would connect to whichever local transit option was chosen at a new Transit Center to be located east of I-65 in a location to be defined. The Transit Center would serve multimodal connections, allowing express and local bus riders to connect with vanpools, airport shuttles, carsharing and bikesharing stations, and intercity bus lines. Other infrastructure improvements include adding Transit Signal Priority (TSP) to intersections within the Cool Springs study area, and equipping buses with Automatic Vehicle Locator (AVL) technology with the ability to be accessed by the public. Bike and pedestrian enhancements would focus on connecting Cool Springs with the rest of Franklin, especially Downtown, and with the rest of the region.

Long Term Recommendations

Long-term, the Cool Springs Multimodal Transportation Network Study recommends converting the express route buses to run all day and on weekends instead of just in the peak times, and for a light rail or bus rapid transit (BRT) line to be established to connect Franklin with Nashville. In addition, for better access, the report proposes pedestrian bridges across I-65 to bridge both sides of the Interstate.

Evaluation Criteria

An evaluation matrix for the three local transit options, along with detailed cost breakdowns of the pedestrian, bicycle, and transit improvements proposed in each stage is included in this report. The cost breakdowns include both capital and operating costs, and make a distinction between ongoing and startup costs of the system. The report concludes with a compendium of current and innovative funding options that could be used to fund the recommendations included in the report.

2. Purpose and Need

What is the Purpose for the Proposed Action?

Rapid development is taking place in the Cool Springs area of Franklin, TN where currently very few transportation alternatives exist. The development of a multimodal transportation network will provide transportation options for employers, employees, residents, students, and visitors to get to and from work, shopping, recreation, and other activities. The Cool Springs Multimodal Transportation Network Study identifies short-term, medium-term, and long-term activities related to developing a sustainable set of transportation options for this high growth area. This includes bus alternatives such as fixed route, express bus, demand response, flexible routes, and circulators; rail transit; park and ride, pedestrian and bicycle infrastructure; ridesharing alternatives including vanpools, carpools, taxis, and transportation network companies such as Uber and Lyft; and physical infrastructure modifications to accommodate the safe movement of transit riders, pedestrians, bicyclists.

Projects Proposed and/or Under Construction in Cool Springs Area
Image Sources: http://www.http://franklinparkcs.com/; http://www.ovationcoolsprings.com/

What is the Need for the Proposed Action?

Cool Springs has been experiencing significant population and employment growth over the last 20 years and is now a major employment and retail center for the Middle Tennessee Region. The Cool Springs area includes several luxury hotels, shopping centers including the Cool Springs Galleria, business parks, office buildings, big box retailers, and single and multi-family housing. Major corporations including Community Health Systems (4,300 employees), Williamson Medical Center (1,440), Healthways (1,160 employees), Nissan (1,600 employees) and Verizon Wireless (1,300 employees) have their North American or state headquarters within the Cool Springs study area. Employment is projected to grow between 2012 and 2040 by 69%.

Currently, there are very few alternatives to single occupant vehicle travel in the Cool Springs area. To accommodate future growth in the area, a robust, sustainable set of mobility options needs to be considered to address the increasing congestion in the corridor and to further enhance the economic development and land use opportunities. The following contains a description of the transportation problems that will be addressed as a result of the proposed action:

- Need to Reduce Roadway Congestion in the Cool Springs Area: Congestion on the roadways continues to increase as new office, retail, hotel and residential developments continue to be built. In order to maintain an acceptable level of service (LOS) given future (2025) traffic projections, several intersection and roadway improvements are needed, including widening Carothers Parkway from four to six lanes. The introduction of a range of multimodal options is expected to delay or prevent the need for roadway widening.
- Need to Provide Increased Mobility Options for Employers and Employees: Today there are very limited transportation options to access Cool Springs destinations. Employees travel from several locations both within and outside the City of Franklin. Multimodal solutions are needed to address the growing need of employees to get to their place of employment. These solutions need to address not only the work commute but also provide alternatives for travel during the day, including the lunchtime hour.
- Need to Support Economic Development Opportunities in the Corridor: Cool Springs has developed into a regional and national employment and retail center. The transportation infrastructure is already stressed in its capacity to support future growth. Without solutions, there is a potential negative impact on future economic development.
- Need to Protect the City of Franklin's Quality of Life: Environmentally friendly solutions are important to protect the City of Franklin's quality of life and the residents and employees living and working in Cool Springs. "Green" transportation solutions that support active and healthy lifestyles are important to the region.

Goals and Objectives

In order to achieve the Purpose and Need for the Multimodal Transportation Network the following Goals and Objectives have been identified:

GOAL 1:
Provide Alternative Transit Solutions to Serve and Attract More Riders

Objectives:

- Introduce a range of transit options to allow for more choices of travel
- Establish transit connections to areas outside the study area
- Increase transit access for lower wage and lower income workers
- Attract choice riders by offering creative transit solutions
- Reduce transit on demand (TODD) trips to and from the Cool Springs area by increasing ridership on other services
- Support ITS solutions such as transit signal priority, queue jumping, and real time bus arrival information to make transit a more reliable mode choice
- Investigate longer term transit solutions included dedicated transit lanes and commuter rail options

GOAL 2:
Encourage Multimodal Transportation Options

Objectives:

- Support a full bike route network that connects people to popular origins and destinations within Cool Springs and the Franklin area
- Encourage bikeshare programs and bicycle amenities including bike racks and shower facilities
- Install infrastructure to support pedestrian and bicycle access including a full network of sidewalks on both sides of every street and pedestrian intersection improvements
- Allow for easier access for travelers outside the City by providing park and ride lots in key locations
- Create new opportunities for ridesharing including carpooling
- Promote other transportation demand management (TDM) alternatives
- Work with the City of Franklin to create an ordinance to designate that parking spots in "prime" locations at large retail and office developments be reserved for carpools and vanpools

GOAL 3:
Identify Transit Funding Strategies

Objectives:

- Work with city, county, and state officials to identify dedicated funding solutions for local and regional transportation alternatives
- Create public-private partnerships to fund transportation alternatives and infrastructure

GOAL 4:
Partner with Employers to Promote Multimodal Options to Get to Work

Objectives:

- Use The TMA Group's transportation demand management programs as a platform to encourage workplaces to institute flexible work times and telecommuting options
- Create a well-publicized awards system for employers who encourage employees to use shared or non-motorized transportation options to get to work
- Promote employer use of commuter tax benefits for their employees (Section 132(f) of the IRS tax code)

GOAL 5:
Encourage Best Practices in the City of Franklin

Objectives:

- Partner with city and county staff to identify best practices to regulate traffic and reduce traffic congestion through ordinances such as a commute trip reduction ordinance or similar regulations
- Support traffic calming measures that are intended to reduce speed and enhance the street environment for non-motorists

Current Franklin Transit Center

3. Short-Term Alternatives

The need for transportation alternatives in Cool Springs is critical. By managing transportation demand, the area will continue to grow in a way that allows people of all ages and income levels to have the ability to travel within and outside the area without relying only on single occupant vehicles. By implementing the short-term service alternatives proposed here, a network of services can begin to be built allowing for the longer term vision of Cool Springs as being a vibrant, forward-thinking model of a new edge city to continue.

These short-term recommendations are designed to be implemented within five years of the plan's adoption.

Transit Options

Below are three options for transit in the area, with each option showing a combination of new services, service revisions, and improved headways and service spans. One thing that should be considered is that all of these options expand the current route network to a point where the previously naming convention for routes should be changed. Routes can be either numbered or color-coded as shown below for new services. The service spans and headways along with the cost in additional hours and vehicles will be shown on a chart at the end of each subsection.

Arterial Route Options

East Bound Route

The Route would be extended south to the Franklin Transit Center. This would enable riders to use the well-appointed waiting room at the Transit Center, and not have to use their arriving bus as a "shelter" while waiting for their connection at the Factory. This would create a one-seat ride connecting the two major Franklin retail centers: Historic Downtown Franklin and the Cool Springs Galleria.

The layover location would be at the cutout in front of the Transit Center, with the bus proceeding back northward via South Margin, Cummins, and Church Streets.

The Route would be further streamlined by eliminating the two one-way loops in the Cool Springs area and replacing them with two new dual-direction arterial routes. This will decrease the time bus riders will need to reach their destinations, as well as make the route more understandable for new riders. The route will continue to serve the retail establishments along Mallory Lane north of Liberty Pike.

Transfers would be available between the South Bound and West Bound routes, as well as the new Blue Route, at the Franklin Transit Center; the Purple Route at all stops on Mallory Lane between Liberty Pike and West McEwen Drive; and both the Blue and Purple Routes at the Galleria.

South Bound Route

The Route would no longer end at The Factory as it would terminate at the Franklin Transit Center instead. In addition, this route would no longer serve the Cool Springs area, proceeding west after reaching Murfreesboro Road. The layover location would be at a cutout on 9th Avenue just west of Columbia. Timed transfers would be available between the East Bound and West Bound routes, as well as the new Blue Route, at the Franklin Transit Center.

In this scenario, this route, which has the lowest ridership in the system, should be looked at for possible restructuring in the future.

Blue Route

This new Route would be a direct route between the east side of the Cool Springs study area and Downtown Franklin. Given this direct route, there may be significant demand for lunchtime riders. To encourage this ridership, frequent midday service will be provided, with sponsored free fares between 11:00 AM and 1:00 PM. The route would start at the Franklin Transit Center, with its first stop being on the east side of Columbia Avenue at Church Street. The route would proceed via Church Street to Murfreesboro Road, where it would run to the Williamson Medical Center, entering and exiting the facility in the same manner as the East Bound Route currently does. The route would continue up Carothers Parkway to Bakers Bridge Avenue, and then enter the Galleria property from the north. When Columbia State Community College opens its campus on Liberty Pike in 2016, the route will serve that location as well. While the route's final east bound stop would be at mall entrance next to the Belk Home Store, no layover would be taken there, as the bus would proceed back Downtown via the same routing.

Timed transfers would be available between the East Bound, South Bound and West Bound routes, at the Franklin Transit Center; Route 91X, the Nashville Reverse Express Route; the Purple Route at Southwinds Boulevard and Murfreesboro Road; and both the East Bound and Purple Routes at the Cool Springs Galleria.

Purple Route

This new Route would exist entirely within the Cool Springs study area, primarily serving the light industrial area along Seaboard Lane, and also dense housing clusters along Mallory Lane, West McEwen Drive, and Aspen Grove Drive. Taking its layover in the Williamson Square parking lot, its first northbound stop would be at Southwinds Boulevard and Murfreesboro Road. The route would then proceed via Murfreesboro Road, North Royal Oaks Blvd, Mallory Lane, West McEwen Drive, Cool Springs Boulevard, Aspen Grove Drive, Seaboard Lane, Duke Drive, Mary Lindsay Polk Drive, Seaboard Lane, and Crossroads Boulevard, entering the Galleria to the west. While the route's final north bound stop would be at mall entrance next to the Belk Home Store, no layover would be taken there, as the bus would proceed back to Williamson Square via the same routing, where it would take its layover.

Reverse Express Route

For service to and from outside the area, a new express route would be established between the current Park & Ride facility and downtown Nashville. The service would recycle two buses from the current 91X service (which will not change), with three morning and three evening rush hour only trips. Arrival and departure times from Nashville buses will be timed to allow riders to transfer to the Purple Route for those riders wishing to access businesses along Seaboard Lane. The route would run express from Music City Central, the main downtown transfer hub for the MTA. Exiting I-65 at Moore's Lane, the route would make limited local stops along Carothers Parkway at major employment centers, including at Bakers Bridge Avenue, Mayfield Drive, Meridian Boulevard, Cool Springs Boulevard, Crescent Centre, Nissan Way, and East McEwen Drive, where it will reenter I-65, exiting again at Murfreesboro Road to continue its journey to the Park & Ride.

Night Route

For late night riders, a new route would operate between 8:00 PM and 10:00 PM. This route would primarily serve second shift retail and restaurant workers who do not currently have a ride home if they take transit to work. The route would operate fixed route service on Mallory Lane to Liberty Pike, after which it would be authorized to drop passengers off at any stop within the Franklin Transit system, via flexible routing. There is a possibility that the demand for this route becomes consistent and concentrated enough so that a fixed route could be developed to serve popular stops.

Table 1: Arterial Route Options Service Statistics

Weekday

Route	Proposed Span	Current Span	Proposed Headway: Peak (7-9PM; 3-6PM)	Proposed Headway: Midday (11AM-1PM)	Proposed Headway: All Other Times	Current Headway	Additional Service Hours	Additional Vehicles
East Bound	6AM-8PM	7AM-6PM	30	30	60	60	11	1
South Bound	8AM-4PM	same	60	60	60	60	0	0
Purple	6AM-8PM	New route	60	60	60	New route	14	1
Blue	6AM-8PM	New route	30	15	60	New route	26	4
91X	3 morning and 3 evening trips	Same	Varies	No service	No service	Varies	0	0
Nashville Reverse Express	3 morning and 3 evening trips	New route	60	No service	No service	New route	4	1
Night Route	8PM-10PM	New route	No service	No service	60	New route	2	0
Total Additional Service Hours							**57**	**7**

Saturday

Route	Proposed Span	Current Span	Proposed Headway	Current Headway	Additional Service Hours	Additional Vehicles
East Bound	6AM-8PM	9AM-6PM	60	60	5	0
South Bound	No service	No service	No service	No service	None	0
Purple	9AM-6PM	New route	60	New route	9	1
Blue	9AM-6PM		30	New route	9	1
91X	No service	No service	No service	No service	None	0
Nashville Reverse Express	No service	No service	No service	No service	None	0
Night Route	8PM-10PM	New route	60	New route	2	0
Total Additional Service Hours					**25**	**2**

Arterial Route Options - Additional Annual Costs

Route	Additional Weekday Hours	Additional Saturday Hours	Additional Operating Cost	Additional Vehicles Needed	Total Year One Capital Costs	Total Year One Capital Costs [1]
East Bound	11	14	$310,500	2	$680,000	$990,500
Purple	14	9	$400,800	1	$340,000	$740,800
Blue	26	9	$740,700	4	$1,360,000	$2,100,700
Nashville Reverse Express	4	0	$96,900	0	0	$96,900
Night Route	2	2	$60,800	0	0	$60,800
Total			**$1,609,700**		**$2,380,000**	**$3,989,700**

[1] Costs are rounded up to the nearest $100

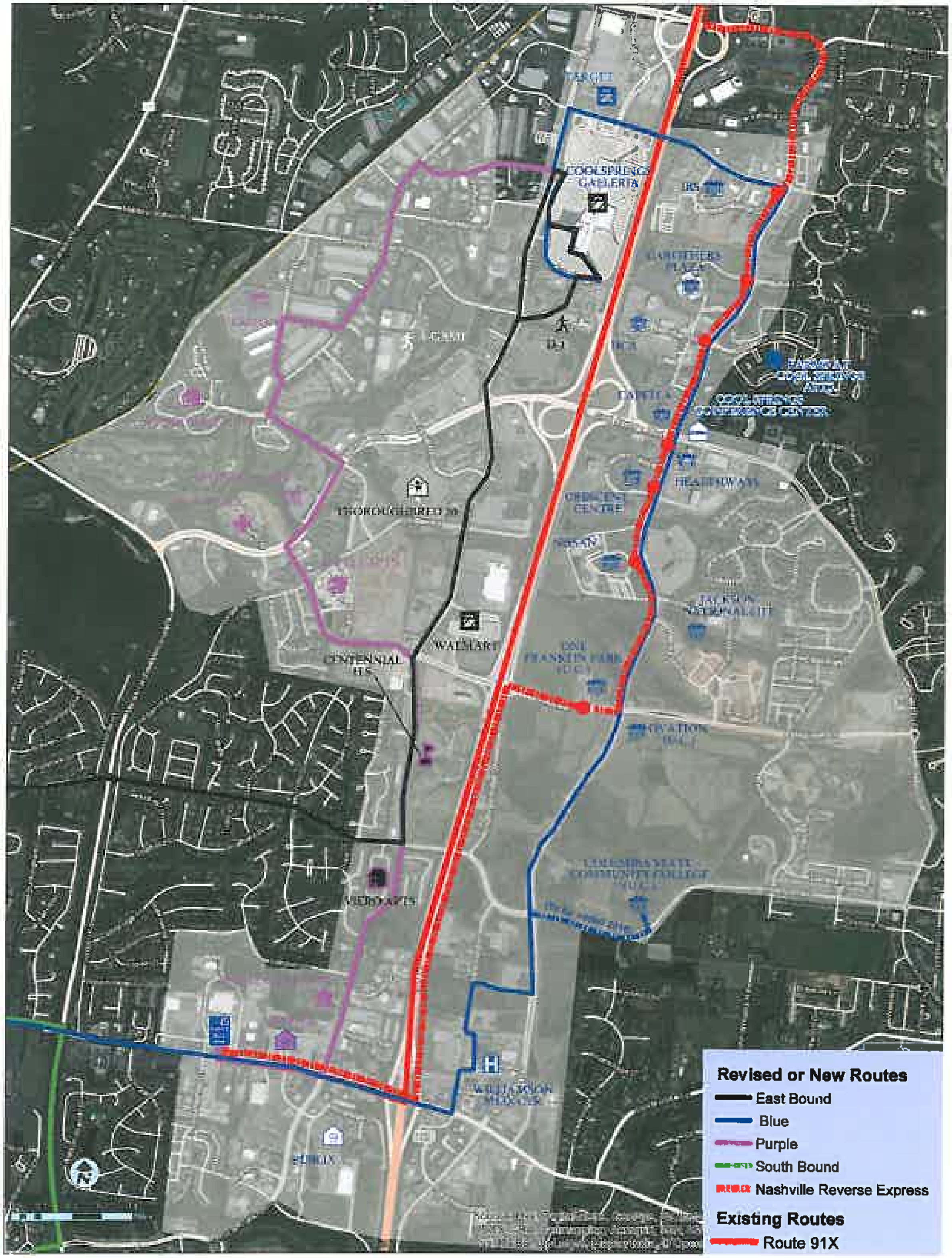


Figure 1: **Arterial Route Options Map**

Arterial Route Cost Summary

The total startup cost for transit would be around **$4 million** for the first year, with subsequent years being around **$1.6 million.**

Below are the bare minimum costs for the Arterial Option if:

- Service begins using the current equipment type - Cutaway vehicles
- The frequency of service is reduced - 30-minute service during morning and afternoon peak hours only
- No night route

Startup Costs Year One: $2.8 million
Operating Costs Subsequent Years: $1.4 million

Below are the bare minimum costs for the Arterial Option if:

- Service begins using the current equipment type - Cutaway vehicles
- The frequency of service is reduced - 60-minute service all day and
- No night route

Startup Costs Year One: $1.6 million
Operating Costs Subsequent Years: $1.1 million

Flex Route Options

East Bound Route

The Route would be extended south to the Franklin Transit Center. This would enable riders to use the well-appointed waiting room at the Center, and not have to use their arriving bus as a "shelter" while waiting for their connection at The Factory. This would create a one-seat ride connecting the two major Franklin retail centers: Historic Downtown Franklin and the Cool Springs Galleria.

The layover location would be at the cutout in front of the Transit Center, with the bus proceeding back northward via South Margin, Cummins, and Church Streets.

The Route would be further streamlined by eliminating the one way Liberty Pike–Carothers Parkway–Murfreesboro Road–North Royal Oaks Blvd as well as the Mallory Lane portion of the route north of Walmart. These areas would be covered by a new flex route. Instead of using Mallory Lane to reach the Galleria, the route would then proceed via Murfreesboro Road, North Royal Oaks Blvd, Mallory Lane, West McEwen Drive, Cool Springs Boulevard, Aspen Grove Drive, Seaboard Lane, Duke Drive, Mary Lindsay Polk Drive, Seaboard Lane, and Crossroads Boulevard, entering the Galleria to the west. While the route's final north bound stop would be at mall entrance next to the Belk Home Store no layover would be taken there, as the bus would proceed back to central Franklin via same routing. Timed transfers would be available between the South Bound and West Bound routes at the Franklin Transit Center and the flex route at the Galleria.

South Bound Route

The route would no longer end at The Factory, as it would terminate at the Franklin Transit Center. In addition, this route would no longer end at the former K-Mart but would terminate at the Williamson Medical Center. The layover location would be at a cutout on 9th Avenue just west of Columbia Avenue. Timed transfers would be available between the East Bound and West Bound routes at the Franklin Transit Center. The Williamson Medical Center would see transfer possibilities to Route 91X and the flex route.

New Flex Route

This new route would operate fixed route service via Carothers Parkway to Bakers Bridge Avenue, and then enter the Galleria property from the north. Given the connection to the Galleria, there may be significant demand for lunchtime riders. To encourage this ridership, frequent midday service will be provided, with sponsored free fares between 11:00 AM and 1:00 PM. The route would be able to "flex" within a predetermined area in response to rider requests, either on board or by telephone. Much like the TODD service, off-route requests for pickups would need to be made in advance, but only at an hour minimum. Subscription service would be available for those riders as well.

Timed transfers would be available between the East Bound and West Bound routes at the Franklin Transit Center. The Williamson Medical Center would see transfer possibilities between Route 91X and the South Bound Route.

Route 91X

The Route 91X would now end at a new park and ride near Williamson Medical Center, at a location to be determined. The service would add six reverse direction express trips, recycling two buses in both the morning and afternoon peaks. The route would run express from Music City Central, the main downtown transfer hub for the MTA.

Arrival and departure times from Nashville buses will be timed to allow riders to transfer to the flex route for those riders wishing to access businesses along Carothers Parkway.

Night Route

This route would operate the same way as in the Arterial Route option.

Table 2: Flex Route Options Service Statistics

Weekday

Route	Proposed Span	Current Span	Proposed Headway: Peak (7-9PM; 3-6PM)	Proposed Headway: Midday (11AM-1PM)	Proposed Headway: All Other Times	Current Headway	Additional Service Hours	Additional Vehicles
East Bound	6AM-8PM	7AM-6PM	30	30	60	60	11	1
South Bound	8AM-6PM	8AM-4PM	30	60	60	60	7	1
Flex Route	6AM-8PM	New route	30	15	60	New route	26	4
91X	6 morning and 6 evening trips	3 morning and 3 evening trips	Varies	No service	No service	Varies	4	1
Night Route	8PM-10PM	New route	No service	No service	60	New route	2	0
Total Additional Service Hours							**50**	**7**

Saturday

Route	Proposed Span	Current Span	Proposed Headway	Current Headway	Additional Service Hours	Additional Vehicles
East Bound	6AM-8PM	9AM-6PM	60	60	5	0
South Bound	9AM-6PM	New route	60	No service	9	1
Flex Route	9AM-6PM	No service	60	New route	9	1
91X	No service	No service	No service	No service	None	0
Night Route	8PM-10PM	New route	60	New route	2	0
Total Additional Service Hours					**25**	**2**

Flex Route Options - Additional Annual Costs

Route	Additional Weekday Hours	Additional Saturday Hours	Additional Operating Cost	Additional Vehicles Needed	Total Year One Capital Costs	Total Year One Capital Costs[1]
East Bound	11	14	$310,500	2	$680,000	$990,500
South Bound	12	9	$349,300	2	$680,000	$1,029,300
Flex Route	26	9	$740,700	4	$1,360,000	$2,100,700
91X	4	0	$96,900	0	0	$96,900
Night Route	2	2	$60,800	0	0	$60,800
Total			**$1,558,200**		**$2,720,000**	**$4,278,200**

[1] Costs are rounded up to the nearest $100

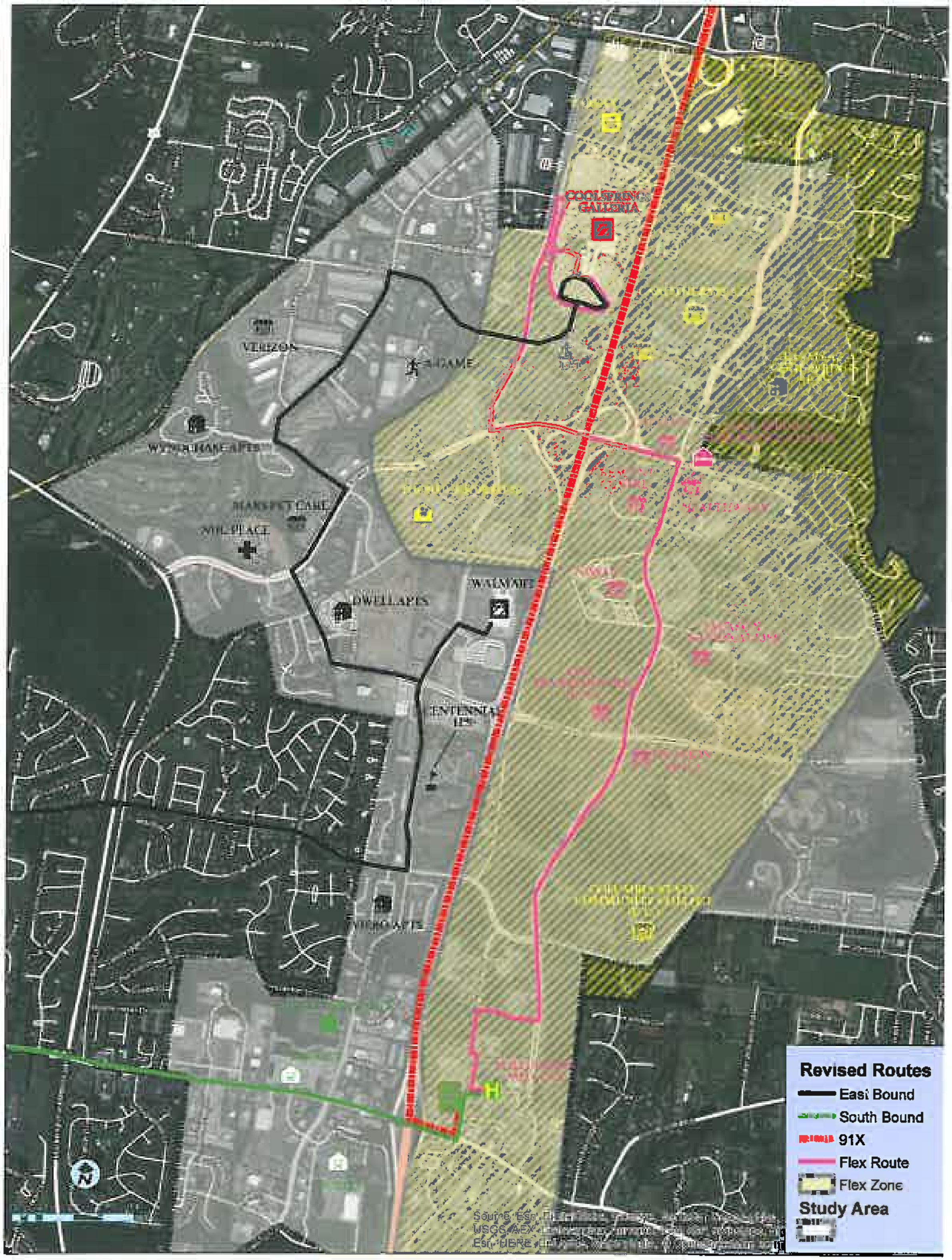


Figure 2: **Flex Route Options Map**

Flex Route Cost Summary

The total startup cost for transit would be around **$4.3 million** for the first year, with subsequent years being around **$1.6 million.**

Below are the bare minimum costs for the Flex Option if:

- Service begins using the current equipment type - Cutaway vehicles
- The frequency of service is reduced - 30-minute service during morning and afternoon peak hours only
- No night route

Startup Costs Year One: $2.3 million
Operating Costs Subsequent Years: $1.2 million subsequent years

Below are the bare minimum costs for the Flex Option if:

- Service begins using the current equipment type - Cutaway vehicles
- The frequency of service is reduced - 60-minute service all day
- No night route

Startup Costs Year One: $1.9 million
Operating Costs Subsequent Years: $875,000.

Circulator Route Options

East Bound Route

The route would be extended south to the Franklin Transit Center, where riders could transfer to other local routes. This would enable riders to use the well-appointed waiting room at the center, and not have to use their arriving bus as a "shelter" while waiting for their connection The Factory. The layover location would be at the cutout in front of the Transit Center, with the bus proceeding back northward via South Margin, Cummins, and Church Streets. Instead of ending at the Galleria, the route would end at the Williamson Medical Center. The entire route north of Liberty Pike would be replaced by the new Brown Route. The bus would layover at the Franklin Transit Center.

South Bound Route

This route would operate the same way as in the Flex Route option.

Brown Route

The new route would operate as a dual direction loop covering the entire Cool Springs study area. The route would start at the Williamson Medical Center and would travel via Edward Curd Lane–Carothers Parkway–Liberty Pike–Mallory Lane–West McEwen Drive–Cool Springs Boulevard–Mallory Lane, entering the Galleria property via South Springs Drive. Beyond the Galleria, the route would use Bakers Bridge Avenue and Carothers Parkway to return to the Williamson Medical Center. When Columbia State Community College opens its campus on Liberty Pike in 2016, the route will serve that location as well. Some trips in the peak periods only (when headways are more frequent than hourly) would operate via Aspen Grove Drive–Seaboard Lane–Duke Drive–Mary Lindsay Polk Drive–Seaboard Lane–Mallory Station Road, rejoining the main route at Mallory Lane. The bus would layover at the Williamson Medical Center. The Williamson Medical Center would see transfer possibilities to Route 91X, the East Bound Route, and the South Bound Route.

Route 91X

This route would operate the same way as in the Flex option.

Night Route

This route would operate the same way as in the Arterial and Flex options.

Table 3: Circulator Route Options Statistics

Weekday

Route	Proposed Span	Current Span	Proposed Headway: Peak (7-9PM, 3-6PM)	Proposed Headway: Midday (11AM-1PM)	Proposed Headway: All Other Times	Current Headway	Additional Service Hours	Additional Vehicles
East Bound	6AM-8PM	7AM-6PM	30	30	60	60	10	1
South Bound	8AM-4PM	same	60	60	60	60	0	0
Brown	6AM-8PM	New route	30	15	60	New route	50	8
91X	5 morning and 5 evening trips	3 morning and 3 evening trips	Varies	No service	No service	Varies	4	1
Night Route	8PM-10PM	New route	No service	No service	60	New route	2	0
Total Additional Service Hours							**66**	**10**

Saturday

Route	Proposed Span	Current Span	Proposed Headway	Current Headway	Additional Service Hours	Additional Vehicles
East Bound	6AM-8PM	9AM-6PM	60	60	5	0
South Bound	9AM-6PM	New route	60	No service	none	0
Brown	9AM-6PM	No service	60	New route	28	2
91X	No service	No service	No service	No service	none	0
Night Route	8PM-10PM	New route	60	New route	2	0
Total Additional Service Hours					**35**	**2**

Sunday

No Sunday Service

Circulator Route Options - Additional Annual Costs

Route	Additional Weekday Hours	Additional Saturday Hours	Additional Operating Cost	Additional Vehicles Needed	Total Year One Capital Costs	Total Year One Capital Costs [1]
East Bound	3	5	$126,720	0	0	$126,720
Brown	52	28	$1,480,000	8	$2,720,000	$4,200,000
91X	4	0	$96,900	0	0	$96,900
Night Route	2	2	$60,800	0	0	$60,800
Total			**$1,764,420**		**$2,720.000**	**$4,484,420**

[1] Costs are rounded up to the nearest $100

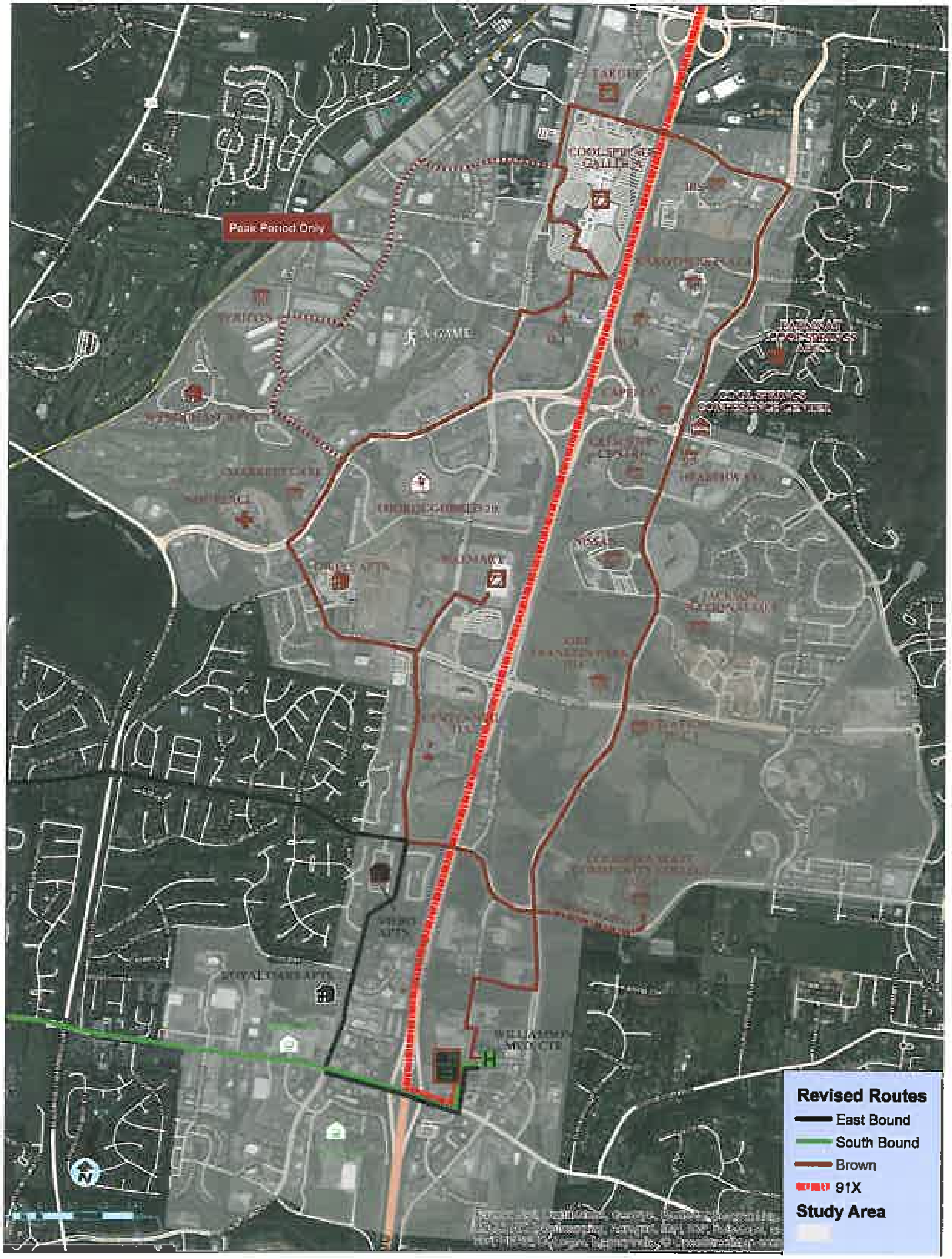


Figure 3: **Circulator Route Options Map**

Circulator Route Cost Summary

The total startup cost for transit would be around **$4.5 million** for the first year, with subsequent years being around **$1.8 million.**

Below are the bare minimum costs for the Circulator Option if:

- Service begins using the current equipment type - Cutaway vehicles
- The Circulator runs in just one direction
- The frequency of service is reduced - 30-minute service during peak only hours only
- No night route

Startup Costs Year One: $2.3 million
Operating Costs Subsequent Years: $860,000

Below are the bare minimum costs for the Circulator Option if:

- Service begins using the current equipment type - Cutaway vehicles
- The Circulator runs in just one direction
- The frequency of service is reduced - 60-minute service all day
- No night route

Startup Costs Year One: $1.4 million
Operating Costs Subsequent Years: $735,000

Vehicle Choice

To differentiate the service from TODD service and create a new "brand" for Franklin Transit, thirty- foot buses should be used on all local service serving the Cool Springs area, with express service continuing to use the current over-the-road coaches. These buses should be equipped with AVL/next-bus capability, and steps should be made to make that information available to the public.

It is anticipated that express service will also continue to be contracted out, while local service will remain operated by The TMA Group for Franklin Transit. Four types of propulsion systems are common to bus fleets in North America: Compressed natural gas, electric, hybrid, and diesel. Table 4 shows the cost comparison of the different types of vehicles, using the Arterial Option as an example.

Table 4: Bus Type Costs Comparison

Propulsion Type	Capital Cost	Annual Fuel Cost [1]	Annual Maintenance Cost [2]	Total Initial Cost	Total Subsequent Annual Cost
CNG	$3.2 M	$ 86,000	$84,000	$3.1 M	$170,000
Hybrid	$4.0 M	$103,000	$47,000	$3.8 M	$150,000
Electric	$7.0 M	$ 9,000	$67,000	$7.1 M	$ 76,000
Diesel	$2.7 M	$136,000	$67,000	$2.8 M	$203,000

[1] 7 buses are needed for operations in the Cool Springs area for the arterial option

[2] Includes gasoline gallon equivalent costs

If the total capital cost is funded by Franklin Transit, within 10 years the CNG option would equal the diesel option; 17 years for the hybrid option; and the electric option would likely not pay for itself within the lifespan of the bus. However, in most cases grants are available to at least partially pay for alternative fuel transit vehicles, making these options much more cost competitive.

Switching over to thirty-foot buses, even if they are not alternatively fueled, may necessitate the building of a local maintenance facility, especially if the increase in equipment makes it cost prohibitive to continue to send out vehicles to the Nashville Metropolitan Transit Authority (MTA) for maintenance. This possible cost increase is not reflected in the capital costs.

Bus Running on Natural Gas

Other Transit Infrastructure Proposals

All new and existing bus stops in the study area should be ADA accessible—they need at least a landing pad, a bench, and sign. The pad should extend from the existing sidewalk to the edge of the roadway.

Additional bus stops spaced no less than ¼ mile apart need to be added in the study area. In addition, the numbering system currently in place for the stops should be abandoned. It creates too many time points, making it difficult for drivers to adhere to a schedule. Replacing the numbered signs should be signs indicating the route serving the location containing a small route diagram, and times for the first bus and last bus at that location. Stops with high ridership potential should have bus shelters and bike racks and they should be built at a minimum at the following locations:

Transit Shelter Built Into a Shopping Center Development

- Walmart
- Mallory Lane and Liberty Pike
- Williamson Medical Center

If the Arterial Option is chosen, all northbound stops on Carothers Parkway served by the Nashville Reverse Express should be given shelters as well.

If the other two options are chosen, there will be a need to purchase or lease land for a temporary Park & Ride lot near Williamson Medical Center (2 acres for a 200 space lot). There is an available lot nearby that is selling for $850,000; however, there is possibility that spaces could be leased in the Medical Center lot for a nominal fee. There should be signage directing commuters to the new or existing Park & Ride location, both on local streets, and on I-65 (likely directing drivers to exit at Murfreesboro Road).

Possible Park and Ride Locations near Williamson County Medical Center

Bike and Pedestrian Improvements

Creating a robust local transit system is difficult unless riders have easy access to stops and routes. Fortunately, Franklin was far-sighted enough to include sidewalks in its planning for every arterial road in the area. Bike and multi-use paths also exist in the area, albeit in a fragmented state. A near-term goal should be to connect paths and lanes in the area together to create a rudimentary bike network, as well as add specific pedestrian and bike improvements where needed.

Bike Proposals

Any new bike trails and lanes should connect existing network. The proposed improvements are listed below:

- Extend bike /multi-use trails parallel to Carothers Parkway and Cool Springs Boulevard
- Extend the existing Spencer Creek Greenway Trail to link Mallory Station Road with Mack Hatcher Parkway
- Construct new off-street bike trails using I-65 right-of-way between Liberty Pike and West McEwen Drive and Cool Springs Boulevard and the Galleria.
- Extend the existing bike lanes along McEwen Drive and Liberty Pike
- Stripe a new bike lane along Jordan Road from Liberty Pike to where it dead-ends at I-65

Downtown and Cool Springs Bikeshare

Franklin was recently awarded a grant to establish a bikeshare system in the Downtown and Cool Springs areas. It is recommended that bike stations be established at the following high traffic locations in the Cool Springs area:

1. Aspen Grove Park
2. Cool Springs Galleria
3. Whole Foods/Dwell Apartments
4. Meridian Business Park
5. Healthways
6. Nissan North American Headquarters
7. One Franklin Park (Under Construction)
8. Columbia State Community College
9. Williamson Medical Center
10. Ovation (Under Construction)
11. Marriot Cool Springs Conference Center

Potential Location of Jordan Road Bike Lane

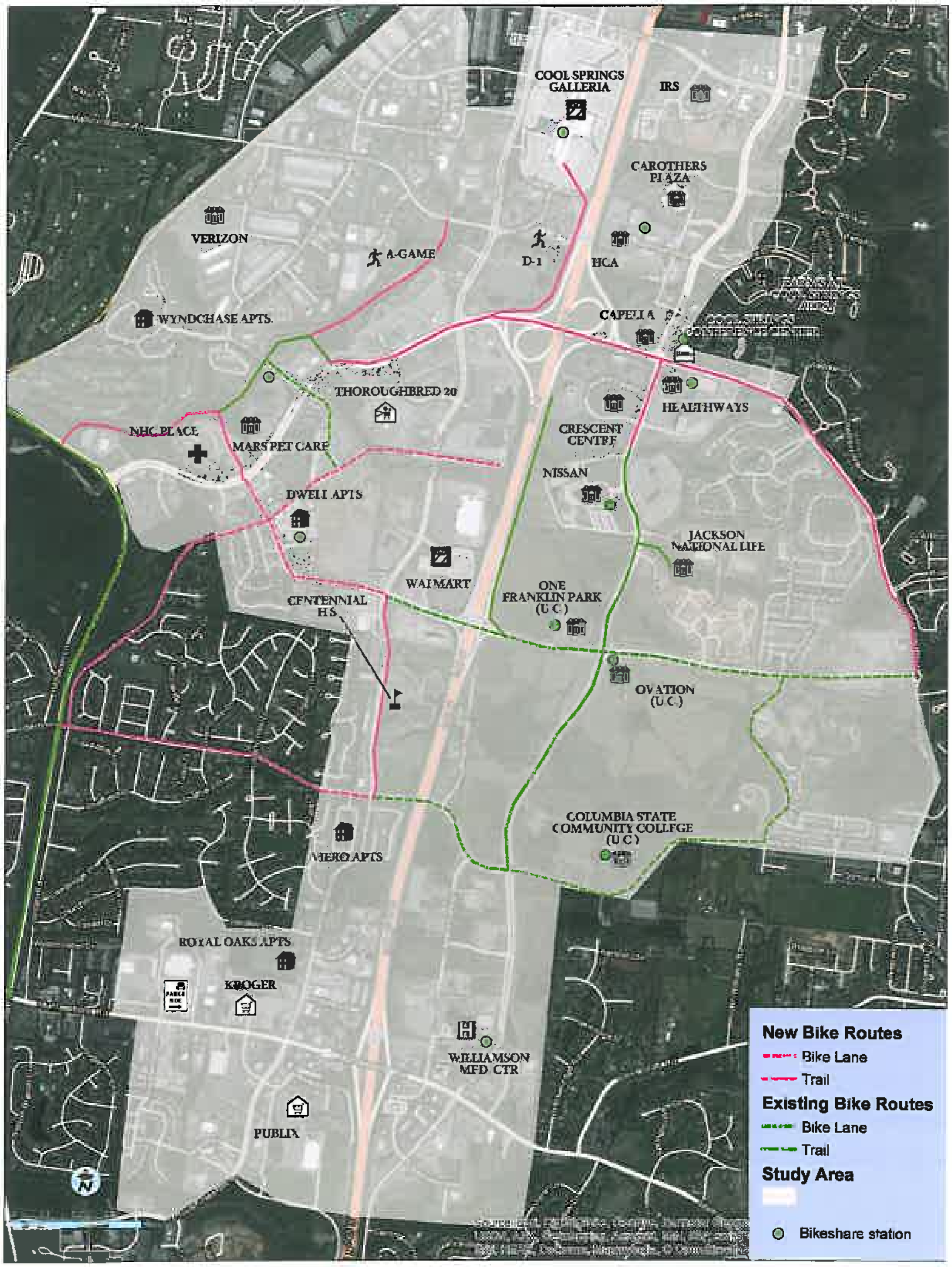


Figure 4: **Bike Improvement Plan**

Pedestrian Proposals

In order to accommodate and improve conditions for pedestrians, the City of Franklin should require any new development in Cool Springs with more than 25 parking spaces to establish a sidewalk connection that would intersect sidewalks parallel to roadways. At intersections with pedestrian accommodations, it is also recommended that walk signals are extended by 30 seconds when the pedestrian push button is activated or LPI (leading pedestrian interval) signals are introduced. To make these intersections even safer, red turn arrows could be activated when the push button is pressed. To alleviate congestion on Mallory Lane when Centennial High School is open, a "HAWK" (**H**igh-Intensity **A**ctivated cross**W**al**K** beacon (i.e. a pedestrian activated signal used to stop road traffic and allow pedestrians to cross safely) should be installed at the school entrance. To increase the use and utility of the current system of sidewalks and multi-use paths, especially for visitors and non-residents in the area, wayfinding signs showing distances (in time and miles) to popular destinations should be added to sidewalks and paths on arterial roads.

Additionally, while most arterials in the Cool Springs area have sidewalks, there are some gaps within the network. Most notably, the light industrial district along Seaboard Lane lacks sidewalks on both sides of most of its streets. In addition, North Royal Oaks Boulevard does not have sidewalks between Liberty Pike and Lakeview Drive. Sidewalks should be installed on North Royal Oaks Boulevard (Liberty to Lakeview), Seaboard Lane (from Aspen Grove Drive to Crossroads Boulevard) and on Mallory Station Road (from Duke Drive to Mallory Lane) in the short-term in order to close the gaps in the sidewalk network in the area.

Traffic Backup on Mallory Lane near Centennial High School

Seaboard Lane Streetscape Showing Lack of Sidewalks

Transportation Demand Strategies

Promoting and Facilitating Ridesharing beyond Vanpool

Carpooling is a commuter option that can be utilized by commuters regardless of commute distance, number of potential commuters to a group or the complexity of the work schedule. Currently, the VanStar ridematching online platform, powered by the software Trapeze, is framed entirely around the process of forming groups for the purpose of vanpooling. The TMA Group could, at a minimum, design the messaging of The TMA Group website to encourage commuters to utilize the software for forming carpools or vanpools. A November 2014 breakdown of the 190 pools available on the VanStar portal showed that only 57 were running (30%) which leaves a large number of commuters listed as "starting up." The inclusion of carpooling as a promoted mode would give The TMA Group the opportunity to begin the mode-shift among these groups, (even if a van is not yet feasible), collect VMT (vehicles mile traveled) data as well as potentially identify both commuter and employer champions.

In 2011[1], 43% of the 29,535 primary jobs in the Cool Springs study area had the commute originate in one of ten zip code locations. With the role of health care as a major employment sector and over 10,000 retail sector jobs, the realities of flexible and fluid work schedules provide an opportunity for carpooling. Carpooling addresses the commuting needs of employees who may only be able to share the ride a limited number of days per month or who could become a member of multiple carpool groups depending on work schedule coordination.

Vanstar Vanpool Vehicles

[1] Source: 2011 Longitudinal Employer-Household Dynamics Origin-Destination Statistics (LODES)

Expanded Emergency Ride Home Program

Currently the Emergency Ride Home (ERH) program, offered through The TMA Group, is only available to full-time VanStar vanpool riders. Expanding this benefit beyond vanpooling to include modes such as carpooling, Franklin Transit Authority transit and even bicycling can encourage drivers of single-occupant vehicles to consider shifting to another mode without the risk of not being able to get home due to illness, family emergency, or an unscheduled work schedule change. Additionally, there would be opportunities to capture data from the existing commuters using these modes as well as to cross-promote TDM services to an engaged audience.

Broadening the user base of the ERH program may raise concerns regarding fraud or accountability. Steps can be taken to mitigate against this including, but not limited to, offering taxi/rental car reimbursement instead of vouchers, requiring employer participation or sign-off and/or requiring frequent re-enrollment into the program. It is worth noting that the Regional Transportation Authority of Middle Tennessee (RTA) offers an Emergency Ride Home program to carpool, vanpool or transit users with otherwise similar parameters as The TMA Group's ERH Program and may be a model.

Employer Services

Clean Air Partnership

Currently The TMA Group in partnership with Williamson County offers the Clean Air Partnership of Williamson County, Rutherford County, and Middle Tennessee. The Partnership serves as a conduit through information sessions and newsletter subscriptions for employer outreach at no-cost to area businesses and organizations.

Over 100 businesses and organizations are currently involved in the Clean Air Partnership. The program should be expanded to include more employers in the Cool Springs area. A strong focus of the program must be to encourage and recognize Partners who lead the way in implementing TDM strategies to relieve congestion in the study area. The Partnership could devise a rating system (i.e., Gold Level, Silver Level, and Bronze Level) for those Partners who establish worksite TDM programs. This would provide the opportunity for local recognition and build examples of employer leadership for the Partnership

2014 Outstanding Clean Air Partner Honorees

Best Workplaces for Commuters

The TMA Group is recognized as a Best Workplace for Commuters. TMA can promote this innovative membership program that provides qualified employers with national recognition and an elite designation for offering outstanding commuter benefits, such as free- or low-cost bus passes and vanpool fares and strong telework programs. Employers that meet the National Standard of Excellence in commuter benefits join the esteemed Best Workplaces for Commuters List and receive high level programs and services. BWC assists participating employers by offering public recognition and promotion, technical assistance, training, Web-based tools, and forums for information exchange.

LEED Designation

LEED, or Leadership in Energy & Environmental Design, is a green building certification program that recognizes best-in class environmental building strategies and practices that have a positive impact on the health of the occupants. To receive LEED certification from the U.S. Green Building Council (USGBC), building projects satisfy prerequisites and earn points to achieve different levels of certification (Certified, Silver, Gold and Platinum). There are five rating systems that address multiple project types and include building design and construction, interior design and construction, building operations and maintenance, neighborhood development and homes. Transportation demand management is a significant part of the LEED certification and contribute to the different levels of certification. Employers are encouraged to implement transportation alternatives in order to reduce the number of commuting round trips made by regular building occupants using single occupant, conventionally powered and fueled vehicles.

Flexible Scheduling Options and Telecommuting
According to the Nashville Area Metropolitan Planning Organization (MPO), by 2040, the Retail sector employment is forecasted to increase by 44% (just under 6,000 jobs). Meanwhile, the office sector is forecasted to grow by 71% (roughly 24,000 jobs). Office work may be conducive to the implementation of telecommuting or scheduling practices that create significant commute reduction. The TMA Group has the opportunity to position itself as a local resource for best practices pulling from both local success stories to national TDM resources.

Commuter Tax Benefits
Ensuring that employers are familiar with Section 132(f) of the IRS tax code for qualifying commuter benefits would leverage The TMA Group's investments in vanpooling and transit (both qualifying expenses under the tax code) while building Program ownership amongst employers. Large employers may already be set up to add these benefits internally or through a third-party administrator. For instance, Nissan, one of the large employers in Cool Springs, utilizes HealthHub as their benefits provider. HealthHub is already set up to offer commuter tax benefits for their clients. Smaller and/or local companies may require closer attention by the TDM provider.

Technology and Trends
For-hire transportation network companies such as Uber and Lyft use newer smartphone app-based technology to connect customers with their services. While these services are generally outside of traditional TDM offerings, they should be considered when writing or re-writing Emergency Ride Home Program guidelines, terms and conditions. TDM programs may also wish to monitor the dialogue at the local and state level to ensure any regulations or ordinances for these types of services are created in a way that does not impact the traditional ridesharing that TDM programs offer.


Photo credit Wallstreet OTC

4. Medium Term Recommendations

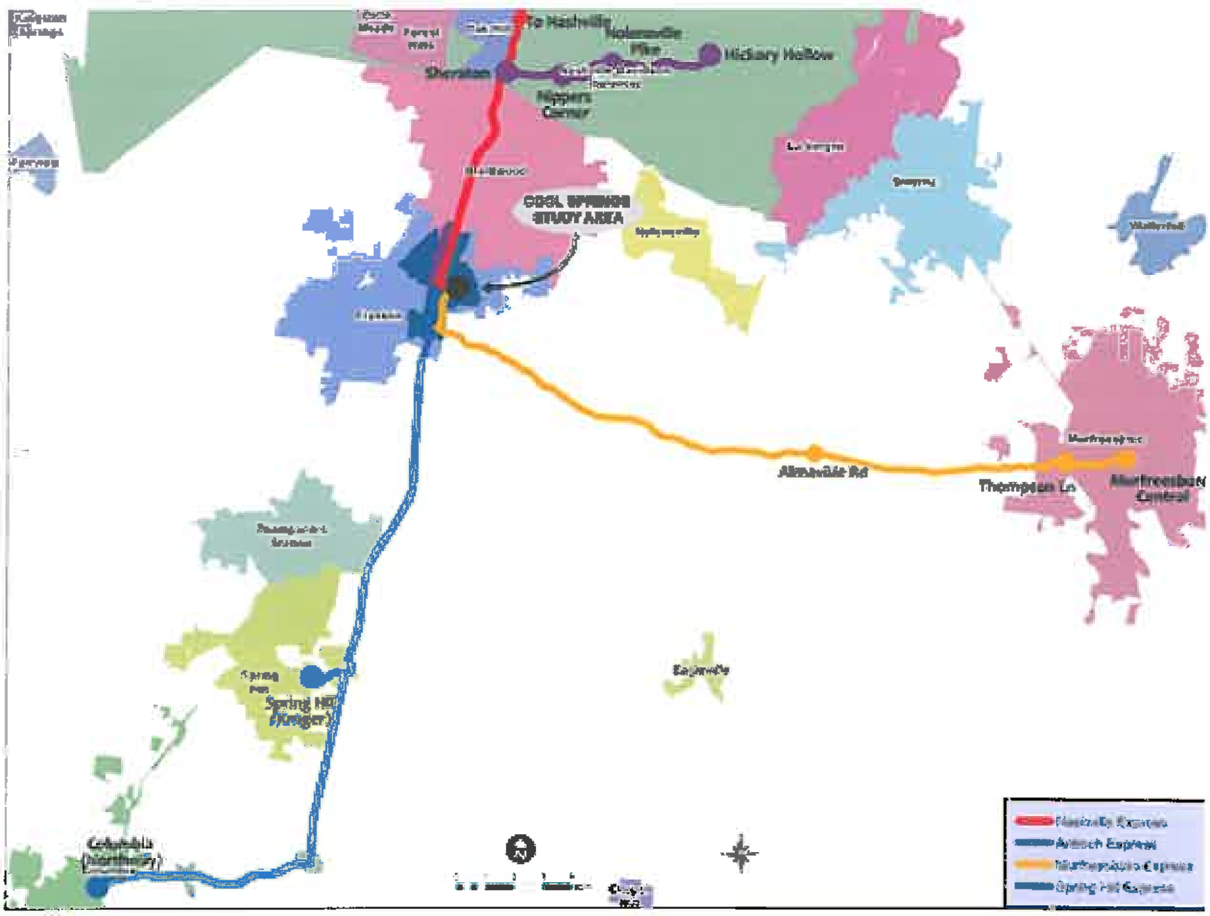
These recommendations focus on further building out the bike, pedestrian, and transit network to establish a robust multimodal framework that can be further enhanced in future phases by expanding headways and spans. Most of the recommendations require a larger amount of expenditure, especially in capital and infrastructure spending and inter-jurisdictional negotiation. These projects should be rolled out between five and ten years.

Express Bus Network

Once a robust local circulation system has been established for the Cool Springs area allowing people to move about the area without the use a car, the utility of a more robust express bus system becomes more apparent. Without such a network, express buses would be forced to serve too many locations, thus taking away the attraction of "express" service to choice riders. The idea of the express bus network is that all of the express buses will start and end at a central Cool Springs location, where riders can continue their journey by transferring to a local bus, riding a bike picked up at a bikeshare station, or walking. The initial express route destinations are locations identified by LODES data as having the highest concentrations of Cool Springs workers.

RTAs "Relax-n-Ride" Vehicle

Establishing these routes would require Franklin Transit to enter into funding agreements with surrounding counties, communities, and transit systems (both public and private). Funding will be explored in Section 8.0. The service spans and headways along with the cost in additional hours and vehicles will be shown on a chart at the end of each subsection. All express routes should have a unified brand, and stops should following the branding theme, with well-appointed shelters of identical design that include a transit map, schedule, benches, a bike rack, and trash receptacles. Part of this branding concept would be to give the stops "station names," as if the routes were similar to a capacity fixed-guideway transit line. This would also give the stops an additional sense of "place," absent from traditional local bus stops. The service spans and headways along with the cost in additional hours and vehicles will be shown on a chart at the end of this subsection.



Regional Express Bus Network

Murfreesboro Express

This express bus would run from Murfreesboro to a new Franklin-Cool Springs Transit Center via Tennessee Route 96. In Murfreesboro, the route would have the advantage of connecting with the local ROVER transit service at Walnut and Burton. Stops would be established in Murfreesboro at Walnut and Burton (Murfreesboro Central) and Thompson Lane and Hwy 96 (Thompson Lane); Almaville Road and Hwy 96 (Almaville Road); and two limited stops on Carothers Parkway at Williamson Medical Center and Liberty Pike. Park & Ride locations would be at Thompson Lane (shared lot at Walmart), at Almaville Road (newly constructed lot). The Almaville Road lot would serve the large amount of Smyrna workers journeying to the Cool Springs area, and should have enough initial spaces for 100 cars, with room to double the lot. if necessary.

Spring Hill Express

This express bus would run from Columbia to a new Franklin-Cool Springs Transit Center via US Route 412 and I-65. The route would have an intermediate stop at the current 95X Park & Ride at the Spring Hill Kroger on Port Royal. Northway Shopping Center, a shopping plaza with an excess of parking, is envisioned as a shared lot for commuters on this route. This route would serve Maury County, which provides about 3,000 workers to the Cool Springs area. This route would be a good candidate for exploring shoulder riding (see Section 4.3) between Tennessee Route 396, since the High Occupancy Vehicle lanes end at Murfreesboro Road on I-65.

Transfer Possibilities at the "Hickory Hollow" Stop

Antioch Express

This express bus run would primarily serve Cool Springs area retail workers residing in the Antioch area of Nashville. Beginning at Global Mall at the Crossings, the route would have limited stops along Bell Road and Old Hickory Lane at Nolensville Pike, Nippers Corner, and the Four Points by Sheraton that would coincide with stops on the Nashville MTA's Route 37X. Connections could also be made with other MTA Routes at these locations. After operating on I-65 for about a mile, the route would exit at Moore's Lane, beginning limited stop service within the Cool Spring retail area. Stops at Bakers Bridge Avenue and Galleria Boulevard (Bakers Bridge Avenue); along Mallory Lane at Crossroads Boulevard (Galleria), Mallory Station Road, Cool Springs Boulevard, and Walmart; the route would end at the new Franklin-Cool Springs Transit Center.

Route 91X or Nashville Reverse Express

These routes would operate the same way as in the short-term recommendations, but be expanded to provide service all day and in both directions with regular headways.

Table 5: Circulator Route Options Statistics

Weekday

Route	Proposed Span	Current Span	Proposed Headway			Proposed Headway (Short Term Improvements)	Additional Service Hours	Additional Vehicles
			Peak (7-9PM; 3-6PM)	Midday (11AM-1PM)	All Other Times			
Murfreesboro	2 morning and 3 evening trips	-	60	No service	No service	New route	13.5	2
Spring Hill	3 morning and 3 evening trips	-	45	No service	No service	New route	16.0	2
Antioch	4 morning and 7 evening trips	-	45	No service	No service	New route	18.5	2
91X	6AM-8PM	6 morning and 6 evening trips	30	60	60	Varies	35.0	2
Total Additional Service Hours (to Short-term Improvements)							**83**	**8**

Weekend

No Saturday or Sunday Express Service

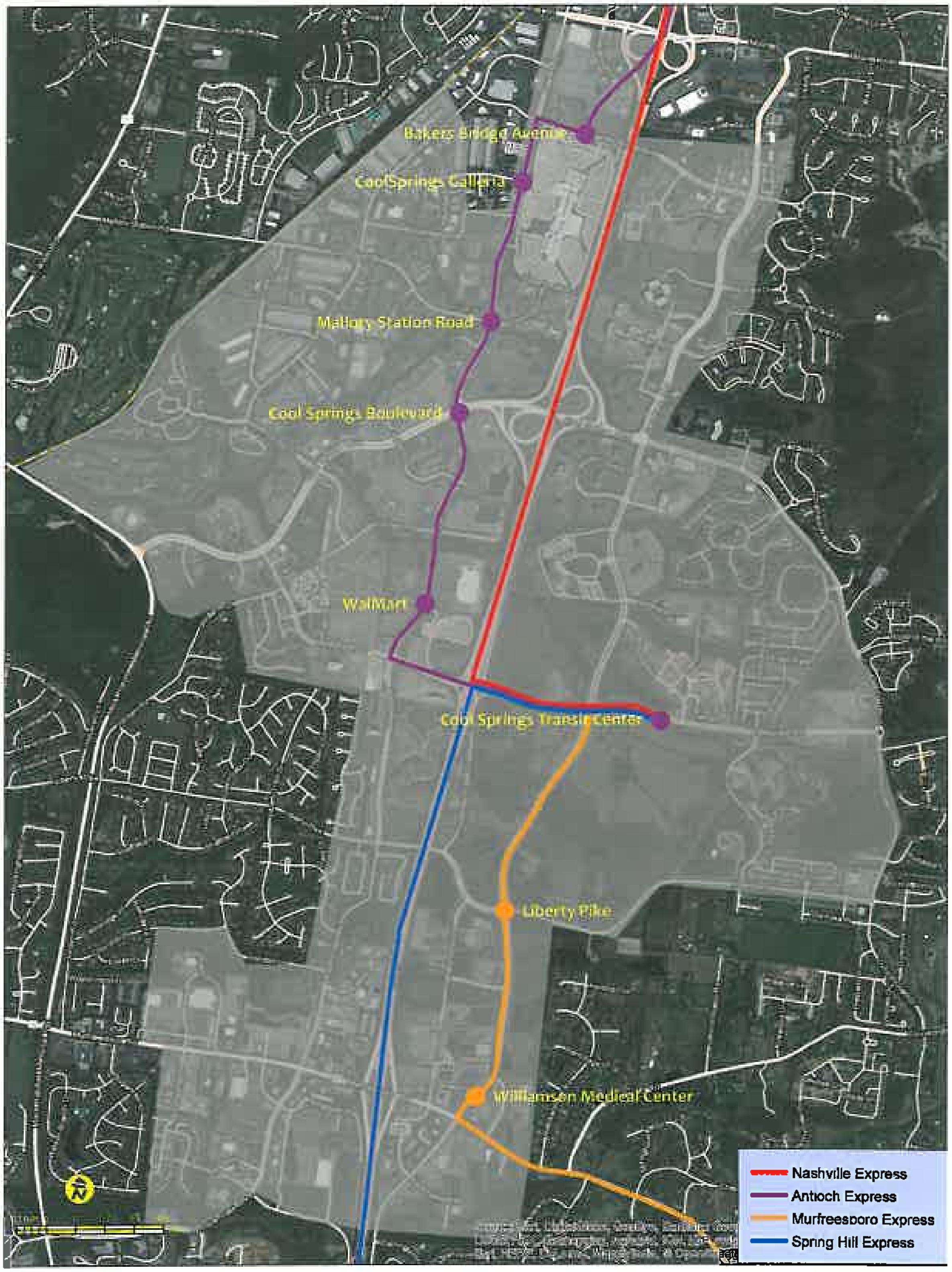


Figure 5: **Regional Express Bus Network Stops and Routing in Cool Springs**

Franklin-Cool Springs Transit Center

To support such a large express bus network, and to better facilitate transfers in the area, a Transit Center will need to be built somewhere in the Cool Springs area. The location selected should be centrally located on the east side of I-65, where vacant land is still available. The best location, due to the possible synergies with new walkable developments being constructed there, would be near the intersection of East McEwen Drive and Carothers Parkway. Below is an example of a possible design for the facility. It would be incumbent for the City of Franklin or Williamson County to acquire land in this area as soon as possible, as available land is becoming scarce in this area.

Transit Center Example from Vancouver, WA

Layout

The facility should consist of ten boarding berths large enough for a 40-foot long bus for transit service, and two boarding berths large enough for a 53-foot bus to be used for future private intercity bus services, or airport shuttle buses. The use of "sawtooth" berths will make possible for buses to enter and leave any berth, regardless of the sequence of arrival or departure.

Building

An approximately 2,400 square feet building is proposed to be located on the boarding island. The building would be of brick construction and environmentally controlled. A sample layout would include an 800 square foot waiting area equipped with benches; an additional 60 square feet set aside for a vending area; and 660 square feet for restrooms, with separate restrooms for the public and employees, was assumed. Provision would be made for a staffed customer service booth (300 square feet total). There will also be a 140 square foot drivers' lounge, and 100 square foot security office. The building's size would allow for future construction of an optional community meeting room where board meetings, public hearings and employee training could take place.

Platform

Platforms would be 10 inch high platforms, with tactile edges. This height, higher than a normal sidewalk, is intended to provide almost step-free boarding onto low floor transit buses, while remaining low enough to not conflict with bus operations, including the outward opening of doors on smaller, or coach buses. A canopy, providing protection from rain, snow, and sun along both sides of the length of the platform edge should be included in any final Transit Center design. The final design will have to provide adequate space for wheelchair maneuverability, in the areas surrounding bus lift/ramp deployment areas.

Parking

An on-site parking lot for at least 200 cars, with certain spaces reserved for vanpool/carpool pickups and drop offs, should be established. This area could be decked if future ridership warrants this. If a light rail line is established to Franklin, this could become a remote lot for shuttle service to the station.

Other Amenities

Other amenities that could be included onsite include a café, bike lockers and a bikeshare station, a taxi stand, an intercity bus ticket counter, or even a daycare and retail services, would add to the attractiveness of the site and encourage ridership on the local and express routes serving the Center.

Local Service

Depending on the short-term option selected, any service either serving Carothers Parkway or the Williamson Medical Center should have a stop established at the new Franklin-Cool Springs Transit Center. If the Arterial Option is chosen, the Purple Route would be no longer service the (vacated) Park & Ride on Murfreesboro Road, but instead travel via East McEwen Drive to the new Transit Center, and the Blue Route would deviate off of Carothers to stop there as well. If the Flex Option were chosen, the fixed portion of the route would serve it, and for the Circulator Option the East Bound and Brown Route would serve it (the East Bound Route would be rerouted via Liberty Pike and Carothers Parkway to the Transit Center).

The local service will have timed connections with express service with weekday service frequencies of 20 minute headways 7-9 AM, and 3-6 PM; 12 minute headways from 11AM-1 PM; and 30 minute headways all other times. On Saturday, the same headways/spans as proposed in the near term recommendations. On Sunday, there would be new service for all Saturday operating routes (except the Night Route), with a service span of 11 AM to 7 PM, with 60 minute headways.

HOV Lanes on I-65

Other Proposed Transit Improvements

Part of the drawback of operating buses in mixed traffic, rather than in a fixed guideway, is that there are no time savings, just cost savings, for this mode of travel. With a potential customer base more affluent than average, reducing this travel time differential will be key to attracting riders. One idea is to better manage the existing travel lanes in the Cool Springs study area.

As the name implies, a Transit Signal Priority (TSP) system gives buses priority at signalized intersections. In most projects which have been installed, buses transmit requests directly to the intersection. Parameters are established by the agency that manages the traffic signals, typically, limiting requests to buses beyond a specified lateness threshold and limiting the amount of early or extended green time to a given number of seconds. This technology should be installed on Mallory Lane and Carothers Parkway to allow buses the pre-empt traffic signals along those roads between Murfreesboro Road and Moores Lane. This installation could correspond to the ongoing implementation of an Intelligent Transportation System (ITS) in Franklin, which includes the installation of Adaptive Transit Signal Control at 40 intersections in the Cool Springs study area.

I-65 currently has high occupancy vehicle (HOV) lanes, but they only run in one direction during peak hours, despite the fact that traffic between Cool Springs and Nashville is about equal in both directions. Activating this lane (and enforcing it with cameras) in both directions would allow Nashville to Cool Springs buses significant time savings. On roads without HOV lanes, bus-on-shoulder could be tried. This would allow buses to use the shoulder (generally the left shoulder) to avoid traffic when it falls below a certain speed, generally 35 miles per hour. The outside shoulder on I-65 south of Franklin was built to travel lane width, so this could be a candidate for this type of operation.

All locations with an annual ridership above 1,000 riders should have a shelter installed. For all shelters in the study area, a display of real-time bus arrival and departure information should be installed. Work should also be done with local businesses and corporate offices to display transit materials, including bike and bus maps and real-time bus arrival and departure displays.

Proposed Bike and Pedestrian Improvements

These improvements should build upon those outlined in Section 3.0, with an emphasis on expanding the emerging bike and pedestrian network to cover the entire Cool Springs study area, with a goal to have every resident or large business within a quarter mile of a route.

Bike Improvements

Multi-use trails should be extended to parallel the entire length of Carothers Parkway and Murfreesboro Road. This would provide a bike connection from Cool Springs to central Franklin. Another trail to create a short cut between East McEwen Drive and Cool Springs Boulevard could be constructed using the power company right-of way. Bike lanes should be striped on the following "three-lane" roads: Mallory Station Road, Aspen Grove Drive, and Seaboard Lane. South Spring Drive. Room for the bike lanes on these roads could be made by eliminating the continuous turn lane on these roads, keeping them only at intersections. Bakers Bridge Avenue and South Spring Drive could accommodate bike lanes by use of a road diet.

Enhanced Shelter Example, Murfreesboro Pike in Nashville

Without somewhere to park your bike once your destination is reached, the utility of using bikes for errands or work is limited. Adding one bike rack at every bus stop within the study area would help, along with encouraging private businesses, through a grant program, to add bike racks on their property. The new bike sharing program should move beyond the pilot stage by working with employers, multi-unit housing complexes, and businesses to install additional bike-sharing stations on-site.

Bakers Bridge Avenue Road Diet

Pedestrian Improvements

While arterial roads are well-served by sidewalks in the study area, residential roads are not. Without this "last-mile" connection, the sidewalks will not be seen as a part of, but rather as an ornament to, local transportation networks. There should be a concerted effort to retrofit residential roads in the Cool Springs study area to include sidewalks. Priority should be given to roads within two miles of a school. In addition, an ordinance should be passed to require any new commercial or industrial development to have sidewalks.

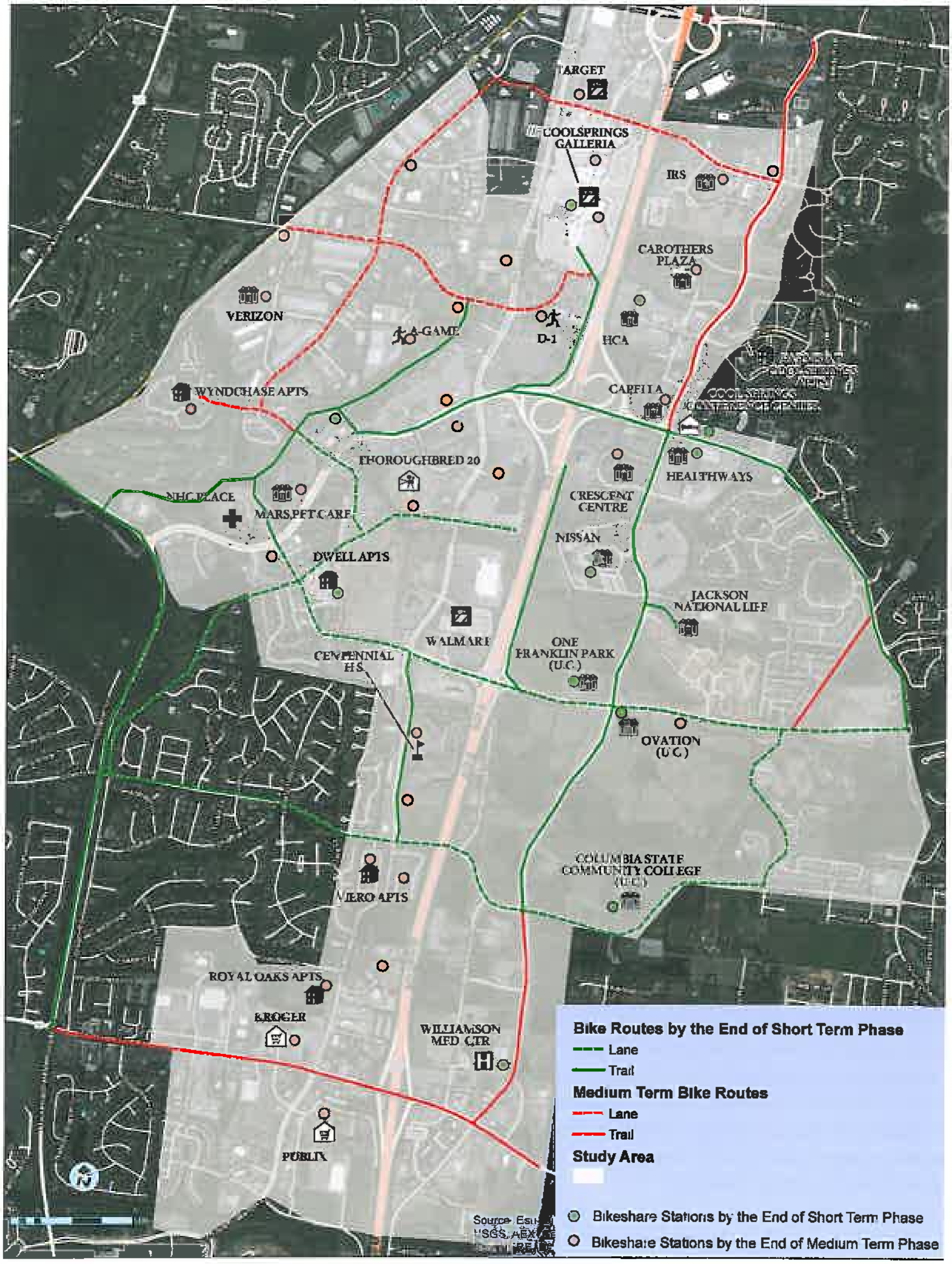


Figure 6: **Medium Term Bike and Pedestrian Improvements**

5. Long-Term Recommendations

Once the express bus network has been established, it will be time to take stock of the transit improvements. Is ridership going up? Is congestion getting better? Are more developments becoming transit-oriented? If the farebox recovery ratio on the local routes is approaching Nashville's (more than 20%), or the RTAs for express routes (at least 30%), it may be time to move on to the next step, which is adding a high capacity transit line between Nashville and Franklin. The goal in this stage is to provide Franklin residents and workers, especially those in the Cool Springs area, such a robust multimodal system that taking transit, walking, or biking is their first choice in travel. These projects should be rolled out after ten years.

Transit Options

High Capacity Transit

The ridership on the Spring Hill Express and 91X would be good indicators of the success of establishing a route like this. If ridership is robust, and demand for additional service is high, this would allow Williamson County to make a strong case to the Nashville Area MPO to get to the front of the line for funding opportunities. The type of service is to be determined but it could be an elevated maglev (magnetic levitation) line, a bus rapid transit route operating in its own dedicated right of way, heavy commuter rail similar to the Music City Star, or light rail powered by overhead wires. Two right-of-ways are best positioned to provide service to the Cool Springs area.

The first right-of-way would be the existing CSX tracks through Franklin. These tracks form the western border of the study area, and only a few trains a day use the track from Columbia to the train yard in Nashville. Stops could be made in Columbia, Spring Hill, Franklin, and Brentwood, with a terminal station near the Gulch in Nashville. A stop at Mallory Station Road (Mallory) is proposed to serve the Cool Springs area. Commuters could walk from the station to the large industrial area along Seaboard Lane. To access the rest of Cool Springs, a local shuttle would be provided. Service would be every 15 minutes during peak periods, with hourly service off peak and on the weekends. If this service was introduced, the Spring Hill Express and Route 91X would be made redundant and disappear.

Figure 5.1 Mallory Station Location

The second right-of-way would be the existing HOV lanes in the center of I-65. These could be converted into a BRT route, or a light rail line, with stations in the middle of the highway. The advantage of this routing would be more direct access to the existing Cool Springs employment and retail base. However, this line would not be as likely to encourage transit oriented development. Stations would be located at Bakers Bridge Avenue, Cool Springs Boulevard, the Franklin-Cool Springs Transit Center (if BRT is the mode chosen), Liberty Pike, and Murfreesboro Road. Pedestrian bridges would link these stations to developments on either side of I-65, and a shuttle would operate from the Cool Springs Boulevard station to link riders with locations farther away from the light rail alignment.

For both of these alignment options, service would be every 15 minutes during peak periods, with hourly service off peak. Initially, there should be no weekend service with the exception of special events in Nashville or Franklin. If this service was instituted, the Spring Hill Express route and Route 91X would be made redundant and eliminated.

Local Transit Route Options

Mallory Station Shuttle

A new shuttle service would be instituted serving the Mallory station (on the CSX alignment) or the Cool Springs Boulevard station (on the I-65 alignment). This route would run between Mallory Station Road and the Franklin-Cool Springs Transit Center using Mallory Station Road, Mallory Lane, Cool Springs Boulevard, and Carothers Parkway.

The shuttle would meet all trains during the morning and afternoon peak periods. At other times, high capacity transit riders could connect to other local services to cover the last mile of their journey.

Mallory Station Location

Maryland Farms Route

This route would serve the burgeoning employment center along Maryland Way in Brentwood as well as the new urbanist community of Gateway Village. This route would run from the Franklin-Cool Springs Transit Center via Carothers Parkway, Moores Lane, Perrone Way, Franklin Road, and Maryland Way, ending at Granny White Pike. Service span would be from 6AM-9AM and 3PM-7PM, with 30 minute headways. There would be no weekend service.

Express Bus Route Options

Berry Farm Express

This new express route would operate only if high capacity transit is not built. The route would have local stops in the Berry Farm mixed use development on the Goose Creek Bypass. It would then run up I-65 to the Franklin-Cool Springs Transit Center. The route would operate from 6AM-8PM on weekdays only, with 20-minute service during the morning and afternoon peaks and 40-minute service at all other times.

Antioch Express

This express route would have expanded service, with the route operating from 6AM-10PM every day of the week. 30-minute service would occur during peak periods, with hourly service the rest of the time.

Murfreesboro Express

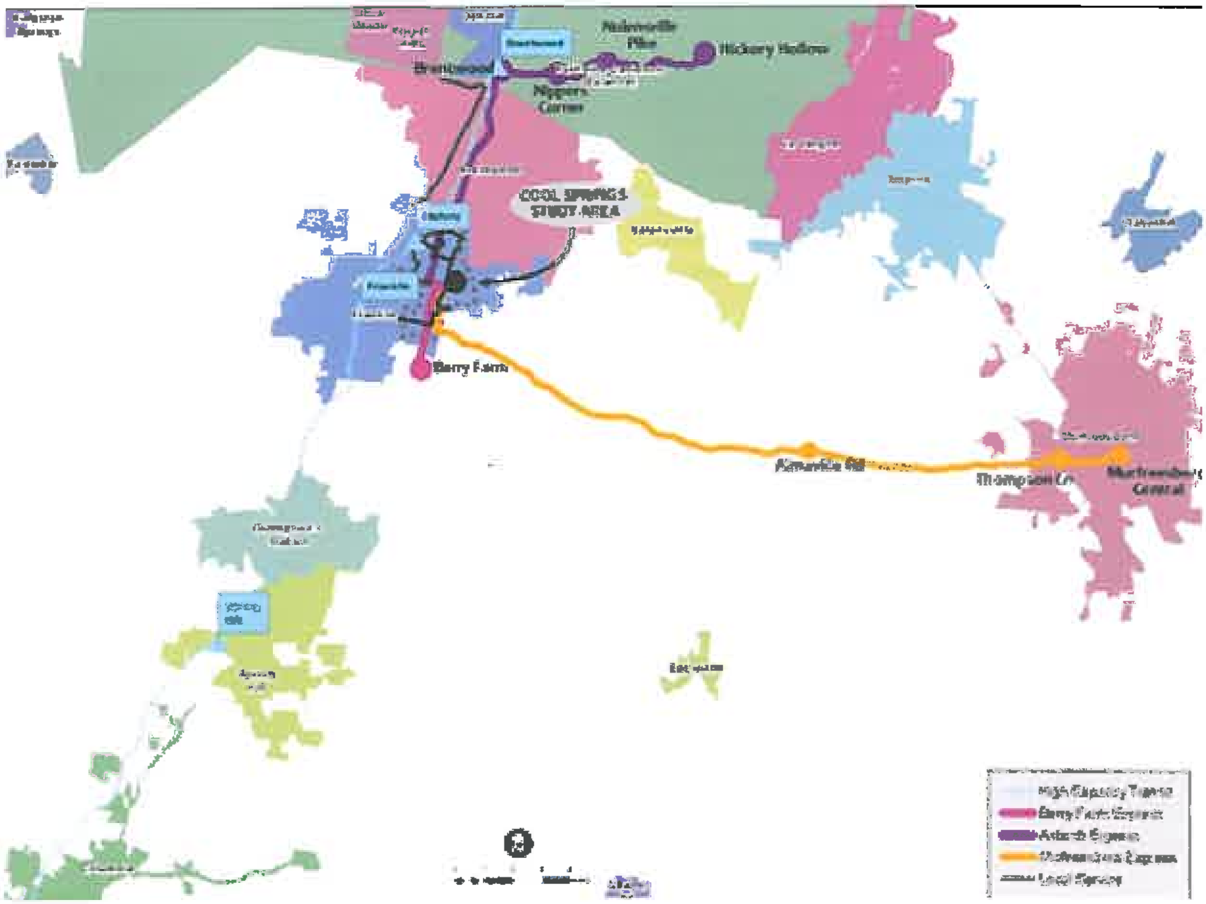
This express route would also have expanded service, with the route operating from 6AM-8PM on weekdays. 30-minute service would occur during peak periods, with hourly service the rest of the time.

Spring Hill Express

This express route would be eliminated in favor of high capacity transit service.

Route 91X

This express route would be eliminated in favor of high capacity transit service.



Regional Fully Built Out Transit System (Arterial Option Shown)

Other Multimodal Improvements

Other multimodal improvements that could be implemented as part of long-term recommendations include:

- Construct pedestrian/bike bridges across I-65 between the Nissan corporate headquarters the end of Jordan Road and between the Cool Springs Galleria and Carothers Plaza office park.
- Convert one lane on Carothers Parkway and Mallory Lane to be a peak-hour bus only lane
- Designate by ordinance a certain number of priority spots in large scale retail and office developments be reserved for carpools and vanpools

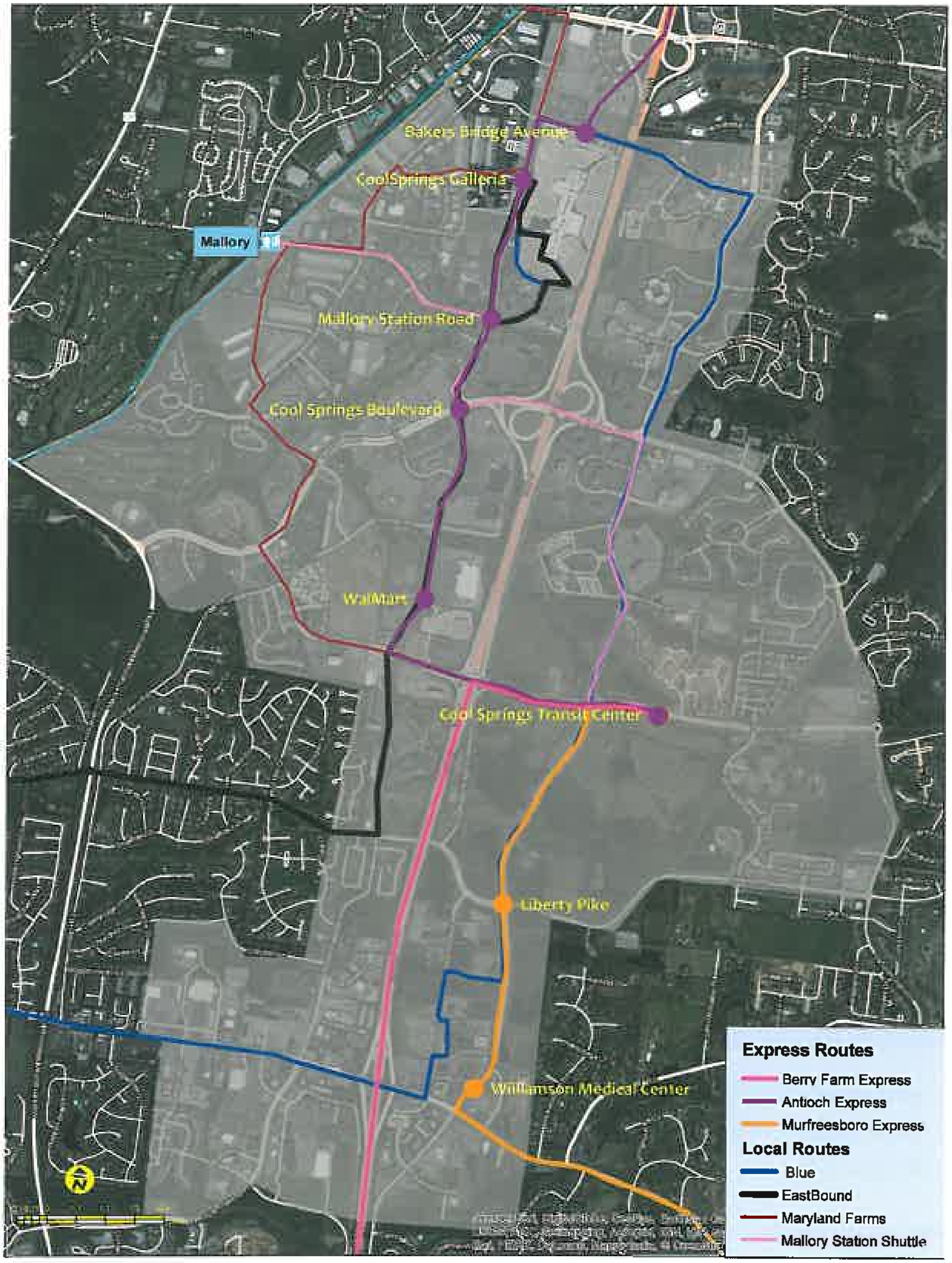


Figure 7: **Local Fully Built Out Transit System (Arterial Option Shown)**

6. Costs

Although the costs contained in this section may seem high, managing congestion through transit, pedestrian, and bike improvements is more cost effective than adding intersection and roadway capacity. Adding a lane on a local (arterial) road generally runs about $750,000 per mile. The Williamson County Major Thoroughfare Plan has estimated $102 million to add one lane in each direction on Murfreesboro Road from Arno Road to the Rutherford County line, an improvement that may not be necessary if the robust express bus network proposed for the medium term is developed.

Arterial Route Options - Additional Annual Costs

Table 6: Arterial Route Options - Additional Annual Costs

Route	Additional Weekday Hours	Additional Saturday Hours	Additional Operating Cost	Additional Vehicles Needed	Total Year One Capital Costs	Total Arterial Option Startup Costs[1]
East Bound	11	14	$310,500	2	$680,000	$990,500
Purple	14	9	$400,800	1	$340,000	$740,800
Blue	26	9	$740,700	4	$1,360,000	$2,100,700
Nashville Reverse Express	4	0	$96,900	0	0	$96,900
Night Route	2	2	$60,800	0	0	$60,800
TOTAL			**$1,609,700**		**$2,380,000**	**$3,989,700**

[1] Costs are rounded up to the nearest $100

The total startup cost for transit would be around **$4 million** for the first year, with subsequent years being around **$1.6 million.**

Below are the bare minimum costs for the Arterial Option if:

- Service begins using the current equipment type - Cutaway vehicles
- The frequency of service is reduced - *30-minute service during morning and afternoon peak hours only*
- No night route

Startup Costs Year One: $2.8 million
Operating Costs Subsequent Years: $1.4 million

Below are the bare minimum costs for the Arterial Option if:

- Service begins using the current equipment type - Cutaway vehicles
- The frequency of service is reduced - 60-minute service all day and
- No night route

Startup Costs Year One: $1.6 million
Operating Costs Subsequent Years: $1.1 million

Flex Route Options - Additional Annual Costs

Table 7: Flex Route Options - Additional Annual Costs

Route	Additional Weekday Hours	Additional Saturday Hours	Additional Operating Cost	Additional Vehicles Needed	Total Year One Capital Costs	Total Flex Option Startup Costs [1]
East Bound	11	14	$310,500	2	$680,000	$990,500
South Bound	12	9	$349,300	2	$680,000	$1,029,300
Flex Route	26	9	$740,700	4	$1,360,000	$2,100,700
91X	4	0	$96,900	0	0	$96,900
Night Route	2	2	$60,800	0	0	$60,800
TOTAL			**$1,558,200**		**$2,720,000**	**$4,278,200**

[1] Costs are rounded up to the nearest $100

The total startup cost for transit would be around **$4.3 million** for the first year, with subsequent years being around **$1.6 million.**

Below are the bare minimum costs for the Flex Option if:

- Service begins using the current equipment type - Cutaway vehicles
- The frequency of service is reduced - 30-minute service during morning and afternoon peak hours only
- No night route

Startup Costs Year One: $2.3 million
Operating Costs Subsequent Years: $1.2 million subsequent years

Below are the bare minimum costs for the Flex Option if:

- Service begins using the current equipment type - Cutaway vehicles
- The frequency of service is reduced - 60-minute service all day
- No night route

Startup Costs Year One: $1.9 million
Operating Costs Subsequent Years: $875,000.

Circulator Route Options - Additional Annual Costs

Table 8: Circulator Route Options - Additional Annual Costs

Route	Additional Weekday Hours	Additional Saturday Hours	Additional Operating Cost	Additional Vehicles Needed	Total Year One Capital Costs	Total Flex Option Startup Costs [1]
East Bound	3	5	$126,720	0	0	$126,720
Brown Route	52	28	$1,480,000	8	$2,720,000	$4,200,000
91X	4	0	$96,900	0	0	$96,900
Night Route	2	2	$60,800	0	0	$60,800
TOTAL			**$1,764,420**		**$2,720.000**	**$4,484,420**

[1] Costs are rounded up to the nearest $100

The total startup cost for transit would be around **$4.5 million** for the first year, with subsequent years being around **$1.8 million.**

Below are the bare minimum costs for the Circulator Option if:

- Service begins using the current equipment type - Cutaway vehicles
- The Circulator runs in just one direction
- The frequency of service is reduced - 30-minute service during peak only hours only
- No night route

Startup Costs Year One: $2.3 million
Operating Costs Subsequent Years: $860,000

Below are the bare minimum costs for the Circulator Option if:

- Service begins using the current equipment type - Cutaway vehicles
- The Circulator runs in just one direction
- The frequency of service is reduced - 60-minute service all day
- No night route

Startup Costs Year One: $1.4 million
Operating Costs Subsequent Years: $735,000

Short-term Pedestrian and Bike Improvement Costs

Table 9: Short-Term Improvement Costs

Improvement	Cost	Units	Total
Signal at Centennial High School	$375,000 [1]	1	$375,000
Sidewalks	$27 per foot [2]	24,490	$661,230
Bike Racks	$540 per unit	8	$4,320
Bike Trail	$261,000 per mile	5.09	$1,328,490
Bike Lane	$89,570 per mile	3.39	$303,642
Bike and Pedestrian Wayfinding Signs	$27,240 per mile	22.14	$603,094

[1] Median cost of signal installation from SRTS Guide (http://guide.saferoutesinfo.org/engineering/traffic_signals.cfm)

[2] Bike and pedestrian costs are median costs and come from the University of North Carolina at Chapel Hill's Highway Safety Research Center (2013)

The total costs for these improvements would be around $3.2 million, and could be phased in over a five-year period. Added to the transit improvements, the total cost for all of the multimodal improvements in the short-term would be in the range of $4.6 to $5.1 million for the first year of the five year span, and $2.1 to $2.4 million in subsequent years.

Total Cost for Medium-Term Improvements

Table 10: Medium-Term Improvement Cost

Improvement	Cost
Transit Center	$7.0 million [1]
Murfreesboro Express (bus route)	$830,000 [2]
Antioch Express (bus route)	$984,000
Spring Hill Express (bus route)	$1.1 million
Route 91X service improvements	$848,000
Local bus service improvements	$1.5–2.5 million
Pedestrian and bike improvements	$2.2 million

1. Rough estimate includes: Site preparation, structure construction costs, Park & Ride construction costs, and design and architectural costs. Costs may vary depending on final design and site selection. Assumes this will be a greenfield site.
2. Annual cost; assumes $241.25 in-service hourly cost for Express Bus service (higher than the evaluation figure due to deadhead times included)

The total costs for all medium-term improvements would be around $15.5 million for the first year (5 years from implementation of the short-term improvements), with the cost being around $4.4 million for years 6-10 (operating cost of the improved transit service). Combined with the short-term improvements, the cost would be around $20 million above the current conditions, and at around $6.5 million for the subsequent years.

Total Cost for Long-Term Improvements

Table 11: Medium-Term Improvement Cost

Improvement	Cost
High Capacity Transit	$150 million–$230 million [1]
Murfreesboro Express expansion	$523,000
Antioch Express expansion	$492,000
Berry Farm Express (new route)	$2.1 million
New local bus routes	$1.5 million
Pedestrian Bridges over I-65	$8 million

[1] Dependent on mode and right-of-way chosen; operating costs estimated to be $5 million annually.

The total cost of these improvements would be between **$160** and **$240 million.**[2] The total cost over the next 20 years, then, for all of these multimodal improvements would be between **$180** and **$260 million.**

[2] Includes savings from elimination of Spring Hill express and 91X routes; the highest percentage of this cost comes from building high capacity transit, most of which would be borne by entities other than Franklin.

7. Evaluation of Short-Term Options

Criteria were developed in order to evaluate the proposed service options recommended in the short-term. The evaluation criteria are based on industry standards and can be used to assess the potential for successful transit services in any community. The criteria are listed below:

Table 12: Service Option Criteria

Goal	Metric
Connectivity	Number of transfer opportunities within study area
Productivity	Potential ridership
Mobility	Minutes it would take to journey from Williamson Medical Center to East McEwen Drive and Carothers Parkway then to Walmart and on to the Cool Springs Galleria (round trip)
Job Accessibility	Number of major employers served
Rider Accessibility	Area in square miles within ¼ mile of a fixed or flexible transit service
Civic Accessibility	Accessibility to community institutions and public space
Limiting Capital Costs	Purchase cost of 30-foot buses and a temporary Park & Ride lot
Limiting Operating Costs	Includes both contracted services and Franklin Transit run services

The data tables for each alternative are listed in Table 13 and Table 14. Table 13 lists the evaluation criteria and provides a quantitative or qualitative assessment for each alternative. In Table 14, the quantitative assessment was converted to a qualitative assessment by using Harvey balls as a means to make an overall assessment of how the alternative best meets the evaluation criteria. A full ball means that that alternative best meets the criteria as compared to the other alternatives, a half ball indicates that it partially meets that criteria as compared to the other alternatives, an empty ball means that it least meets the criteria compared to the other alternatives. A narrative description of how each alternative meets the evaluation criteria is below. For the purpose of evaluating the options, a full ball will equal 3 points, a half ball 2 points, and an empty ball 1 point.

Option 1 Arterial Route Options

Option 1 ranks comparatively high on connectivity and accessibility issues, and limiting capital costs and does not rank particularly poorly in any of the other categories. It does rank last in potential ridership. However, the spread between the best ridership option and the worst is only 5%, so the difference is negligible. The capital costs are lower than the other two, due to the fact that this option uses the existing Park & Ride, rather than constructing another. This option would most resemble what the Franklin Transit system will eventually become once the system is fully built out.

Option 2 Flex Route Options

Option 2 has the slowest speed of travel of three options, due to the flexible nature of the route. However, this option would cover the greatest portion of the study area. This coverage is negated somewhat by the comparative difficulty of using service, as riders would need an advance reservation to ride, and would not have the same confidence of arriving at their destination on time, if the bus needed to flex off the fixed route repeatedly—especially during peak periods. On the other hand, this option would be attractive to current TODD riders in the area used to reserving rides, as well as corporate headquarters along Carothers Parkway whose front doors are some distance from the main arterial, and whose employees may demand a door-to-door type of service to convince them to abandon their cars. This option would be best for attracting choice riders who work along Carothers Parkway.

Option 3: Circulator Route Options

Option 3 is both the fastest, and has the best ridership potential of any of the three options. Due to the dual direction loop operating configuration, it would allow the greatest access to Carothers Parkway workers to the rest of the Cool Springs area for lunchtime errands and restaurant visits. However, this option costs about $200,000 more a year to operate than the others do, and it doesn't provide particularly good connectivity to the rest of Franklin or the region as compared to Option 1. This also serves the least number of employers. This is the most Cool Springs focused of all the options.

If all factors are weighted equally, Option 1 is best option with a score of 20 points, with the other options at 17 and 15 points. However, the scores are not so divergent that picking a lower scored option would preclude expanding the options in Phase 2 and 3. The option that Franklin Transit Authority / The TMA Group finally chooses for the transit service in the near term will likely be based on which of the evaluation criteria they rate as most important to get this plan off to a good start.

Table 13: Evaluation Factors for Short-Term Service Alternatives

Proposed Route	Transfer Opportunities	Potential Ridership	Speed of Travel within Corridor (Round trip in minutes)	Major Employers Served	Coverage Area (in mi²)	Public Resource Access	Additional Capital Costs [1]	Additional Operating Cost [2]
Option 1 Arterial	6	43,139	83	30	4.57	Excellent	$2,380,000	$1,563,585
Option 2 Flex	3	44,793	104	26	6.38	Excellent	$2,720,000	$1,513,095
Option 3 Circulator	3	45,822	41	25	4.78	Fair	$2,720,000	$1,741,290

1 Uses cost of standard diesel 30-foot bus as $340,000 (From Iowa State study comparing cost of standard bus to CNG bus); Assumes Park & Ride will cost $860,000 (price of an available lot at Murfreesboro and Carothers)

2 Assumes $95/hr for RTA service (does not include deadhead time) and $99/hr Franklin Transit service; Annual cost

Table 14: Qualitative Ranking of Short-Term Service Alternative Goals

Proposed Route	Connectivity	Productivity	Mobility	Job Accessibility	Rider Accessibility	Civic Accessibility	Limiting Capital Costs	Limiting Operating Costs
Option 1 Arterial	●	◒	◒	●	◒	●	●	◒
Option 2 Flex	○	●	○	◒	●	●	○	●
Option 3 Circulator	○	●	●	◒	◒	◒	○	○

● = 3 points ◒ = 2 points ○ = 1 point

8. Funding

The current federal transportation funding bill, MAP-21, was set to expire at the end of 2014, but has been extended through May 2015 with the passage of the H.R. 83, commonly known as the Consolidated and Further Continuing Appropriations Act, 2015. Compared to SAFETEA-LU, there are less discretionary funds, and more formula-based grants to be passed through to and programmed by the states. In general, programs that existed under SAFETEA-LU were consolidated into a smaller number of broader core programs. Many smaller programs are eliminated, including most discretionary programs, with the eligibilities generally continuing under core programs. Franklin Transit currently receives 15% of its operating and 71% of its capital funding through federal sources.

Bus and Bus Facilities Program (Section 5339)

These funds may be used to purchase, replace, or rehabilitate transit buses and vans as well as to modernize or construct bus facilities (such as maintenance depots and intermodal facilities) in urban, suburban, and rural communities. This would be a good place to start looking for funds for new equipment, as well as a new maintenance or storage facility if that is needed for the new vehicles. These funds could also be applied to building new shelters throughout the Cool Springs area. Grant money is distributed directly to states ($1.25 M per state) and to urbanized areas. 80% of the capital funding for this grant is federal and 20% is a local match.

Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310)

At least 55% of program funds must be used on capital public transportation projects that are planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities where public transportation is insufficient, inappropriate, or unavailable. The remaining 45% may be used for public transportation projects that exceed the requirements of the ADA; public transportation projects that improve access to fixed-route service and decrease reliance by individuals with disabilities on complementary paratransit; or alternatives to public transportation that assist seniors and individuals with disabilities.

As a project designed to increase the ability to transfer and enhance pedestrian access within the Cool Springs area, the Franklin-Cool Springs Transit Center would be eligible as a public transportation project that would improve access to fixed route service and decrease reliance by individuals with disabilities on complementary paratransit services. Money from this grant could also be used to construct sidewalks along transit routes. Like the first grant, this would provide 80% of the costs, to be paired with a 20% local match.

Fixed Guideway Capital Investment Grants (Section 5309)

Colloquially known as "Small Starts/New Starts," this program administered by the Federal Transit Administration provides grants for new and expanded rail, bus rapid transit, and ferry systems that reflect local priorities to improve transportation options in key corridors. Eligible projects include new fixed guideways or extensions to fixed guideways; bus rapid transit projects operating in mixed traffic that represent a substantial investment in the corridor; and projects that improve capacity on an existing fixed-guideway system. The local match is 20%.

This funding program could be used for any high capacity transit project through the Cool Springs area.

Surface Transportation Program (STP)

The Surface Transportation Program provides flexible funding that may be used by States and localities for projects to preserve or improve conditions and performance on any Federal-aid highway, bridge projects on any public road, facilities for non-motorized transportation, transit capital projects and public bus terminals and facilities. 50% of the funding is allocated by a formula based on population, with the other 50% being discretionary. The local match is 20%.

Eligible routes are those which promote regional and/or sub-regional travel. Categories of projects eligible for funding include rehabilitation, capacity and safety (new construction), economic development, and traffic control measures. Bike, pedestrian, and transit improvements are specifically cited as being eligible.

Purchase of express buses for intercity bus service; converting the fleet to electric and natural gas vehicles; bicycle facilities and pedestrian projects having a nexus to public transportation; and transit safety infrastructure improvements in the Cool Springs area would all be eligible for this grant.
8.5 Transportation Alternatives Program (TAP)
This program provides for a variety of alternative transportation projects that were previously eligible activities under separately funded programs. Eligible activities include:

- Transportation enhancements
- Recreational trails program
- Safe routes to schools program
- Planning, designing, or constructing roadways within the right-of way of former Interstate routes or other divided highways

50% of the funding is allocated by a formula based on population, with the other 50% being discretionary. The local match is 20%. Some of the proposed sidewalk, signal, and trail improvements would be eligible for this type of funding.

Urbanized Area Formula Grant (Section 5307)

The Federal Transit Administration provides the majority of its transit capital investment through this program, authorized under MAP-21. As a regional authority, the Nashville MPO would be the recipient for this grant. 80% of the capital funding for this grant is federal and 20% is a local match. 1% of all grant monies must be spent on associated transit security improvements. For operating assistance, there is a 50-50 split.

Other Federal Capital Funding Programs

TIGER Discretionary Grants have gone through six rounds of funding since being first authorized in 2009. Funding is allocated on a competitive basis, and projects must demonstrate they will deliver the following long-term outcomes: safety, economic competitiveness, state of good repair, livability, and environmental sustainability. Projects are also evaluated on their expected contributions to the economic recovery, as well as their ability to facilitate innovation and new partnerships. Projects that are awarded funding are generally multi-modal, multi-jurisdictional, and difficult to fund with other grants. Many of the multi-use trails needed in the Cool Springs area could be funded through this program.

State and Local Funding

Franklin Transit currently receives 19% of its operating and 7% of its capital funding through state sources, primarily through the state's Operating Assistance Program and Capital Investment Grants, and 61% of its operating and 22% of its capital funding through local sources, primarily through the local Transit Fund.

Sources for New Transit Funds

Value Capture and Impact Fees

The City of Franklin currently charges a transportation impact fee to any large new development. This study recommends that the City should either dedicate a portion of this fee to transit improvements in the area, or add an additional fee on top of this one for such improvements.

Much in the same vein, the City could dedicate a certain portion of property taxes within a newly created Cool Springs Special Service Area to go into a transit fund. This could be done through a "value capture" mechanism, whereby a certain portion of tax increase related to an increase in property value goes into the fund. The same mechanism could be used for retail sales taxes in the area.

Increasing the Realty and Mortgage transfer tax would be a good way in capturing the value unlocked by the addition of a robust transit system to the Cool Springs area. With the boom in housing construction and sales going on in Williamson County, and especially the Cool Springs area, this tax increase would have great potential in funding transit.

User Fees

Franklin currently does not require residents to buy a vehicle sticker (nor does Williamson County). With 92% of all households owning at least one car, adding this requirement would garner at least $3.1 million (assuming a $50 fee) if personal vehicles needed to registered in the County, or $1.1 million if the sticker requirement was just within the city of Franklin.

Taxes

Franklin currently assesses a 2.25% sales tax. This can be locally increased by an additional .50 % to 2.75%. Increasing the tax would bring in an extra $6.3 million, a portion of which could be dedicated to fund multimodal improvements. The increase would have to be approved by voters in a referendum.

Franklin also collects a 4% rate on occupied hotel rooms. Nearby Nashville collects a 6% tax on its rooms, plus a $2.50 fee per person. Increasing the tax to the Nashville rate would garner additional transit funding and have the added benefit of taxing visitors who use the infrastructure of the Cool Springs area, without contributing taxes for it (i.e., the "free-rider" problem)

Another local tax that could be instituted would be a utility levy. The tax could be applied as a flat rate on a per meter or per household basis. Although this tax would not likely change travel behavior, connecting energy consumption with transit, however tenuous, it may psychologically link the two in consumers' heads. With over 20,000 households in Franklin, a levy of this kind would generate about a $500,000 per year, assuming a $20 per household annual levy. This tax would need enabling legislation from the Tennessee Legislature.

Attaching a tax to each new commercial parking space built above a statutory minimum threshold would curtail excess parking space construction, and reduce the inherent subsidy of free parking spaces. Applying this tax to existing lots would both bring in revenue, and encourage denser development where excess parking occurs. Along with this tax should be a revision of land use codes to change the amount of spaces required to a maximum, rather than minimum, for each land use.

Adding an additional local tax on gasoline would be another way to fund these improvements. The current state gas tax rate is .20 per gallon (Note: it was set to be raised in 2015 but this did not happen) and could have an additional rate added on by Williamson County (and Maury and Rutherford Counties, for their portion of the express routes). Fuel tax increases would help encourage more compact, multi-modal land development in the Cool Spring area, although the effect may be only a signaling mechanism, rather than an actual goad for this type of development. The likely revenue raised for every penny increase on gallon of gas would be about $1 million, assuming each Williamson County resident consumes 500 gallons of gas per year ($5 generated per capita). This tax would need enabling legislation from the Tennessee Legislature.

Fares

The farebox recovery ratio of 6% for Franklin Transit is lower than its peer agencies. The current fare of $1.00 (.50 cents for seniors) is below that of Memphis ($1.75), Nashville ($1.70), and Clarksville and Chattanooga ($1.50). Farebox recovery ratios for other small systems in Tennessee include Clarksville (13%); Murfreesboro (9%); Bristol (4%), Knoxville (8%), and Jackson (18%). Big city systems like Memphis and Nashville currently recover about 20% of their costs from the farebox. An increase of 50 cents, in two increments of 25 cents, would help fund future transit improvements. For express routes, a distance-based fare should be instituted, rather than the current flat rate charged by the RTA. Charging .20 per mile (roughly one third of the IRS cost per mile write-off for using your vehicle for business for 2015) would cost a commuter $3.25 for Spring Hill to Franklin trips; $7.50 from Murfreesboro; $3.50 from Antioch; and $4.30 from Nashville.

Public-Private Partnerships

With the decline in transit funding on the federal, state, and local level (especially for capital projects), some transit agencies have turned to the private sector to fund operations and capital expenses.

One type of Public-Private Partnership (PPP) is a design-build contract for a Transfer Center, where the design and construction of the facility is done by a single contractor and would occur in near simultaneity. This would save money by offsetting some of the design risk onto the private contractor. Cost savings would also come by reducing the construction time of the project, and create synergies between the design and construction phase of the contract. However, The TMA Group would still need to serve as a project coordinator, and it may be difficult to find a local contractor that would have the experience to do this type of work.

This type of PPP could be extended even further by having the contractor assume the operating and maintenance costs for the facility once it is built. While this can save the transit agency money by creating a fixed, rather than a variable, cost of operation of a facility, there is a risk that the private operator could default on the contract, leaving the transit agency on the hook for operating and maintenance costs. The contract itself can be very complex and costly to prepare. There is a possibility that this type of partnership could be entered into with a possible private intercity bus company (such as Megabus or Greyhound), who would be a possible major tenant of the facility. Other possibilities are including a major retail or non-profit tenant that would then operate the facility in return for rent-free or rent-reduced accommodations.

PPPs can also be used for operation of service. Cool Springs area companies, especially those in the underserved area along Carothers Parkway, could partially subsidize any new route in that area. A more direct subsidy could be made with the Flex Option, whereby companies that helped subsidize the route could get direct service off the fixed route at specific times without their employees needing to reserve a ride.

Corporate Sponsorships

With the plethora of corporations in the Cool Springs area, especially health care companies, there may be opportunities to leverage corporate dollars in the construction and maintenance of multiuse trails and bike lanes in the area, as well as the planning and erection of a wayfinding sign network in the area. Trails could be named the "Nissan Trail" or a connected series of bike lanes could be labeled the "CHS Route," for instance.

Funding Agreements

Especially for regional routes running beyond the city limits of Franklin, funding agreements should be worked out with Murfreesboro, the city of Nashville, Spring Hill, Columbia, and Brentwood for express and local service to those communities. Williamson County, Rutherford County, and Maury County could also be approached for funding, as any express routes would benefit their residents as much, if not more, than Cool Springs area employers.

9. Public Input and Support

Public input was very critical to the study recommendations. Public input involved a presentation to public officials and stakeholders, two interactive public open houses and a survey distributed both online and at the public open houses.

Public Survey Results

The purpose of the public survey was to identify if the respondent currently uses an alternative means of transportation to get to work, whether they have used transit within the last twelve months, whether they bike or walk during their lunch break, and if and under what conditions they would ride transit within Cool Springs. A copy of the survey is provided in this section.

Summary of Key Results

Over 200 surveys were returned. The following provides a brief synopsis of the survey results:

Question: If you live in Franklin, is your address east or west of I-65?

Answer: Sixty-three percent of respondents live west of I-65

Question: If you work in Franklin, is your address east or west of I-65?

Answer: Seventy-nine percent of respondents work east of I-65

Question: What is your primary means of travel to or from Cool Springs?

Answer: Ninety percent of respondents commute via a single occupancy car; 5% carpool, 2% bike, 2% walk and 1% use Franklin Transit

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Question: Where have you used transit over the last twelve months?

Answer: Forty-one percent of respondents report they have not used transit in the last 12 months; 36% have used transit elsewhere in the United States; 9% have used transit outside the United States, 8% have used transit in Nashville, and 6% have used transit in Franklin

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Question: If you work in Cool Springs, do you walk or bike during your lunch break? If so, why do you walk or bike at lunch?

Answer: Fifty-seven percent or respondents report no with 43% saying yes they do walk or bike. Of those who do, the majority (88%) do so for recreation and/or exercise with the balance doing so to reach a destination.

Question: Would you use transit at lunch to move about the Cool Springs area if.....?:

Answer:

- You could depend on reliable service every 15 minutes (51%)
- The service was free (37%)
- Not at all (12%)

Question: Would you be willing to use a park and ride location to access an express bus route or vanpool?

Answer: Forty-three percent of respondents stated they would do so to go to an event in Nashville, 33% said to go to work in Cool Springs, 18% said to go to work in Nashville, and 6% to go to downtown Franklin.

Question: What factor(s) would most likely encourage you to use transit for your journey to work?

Answer: The following four answers were almost evenly split between the respondents, capturing approximately 24% of the responses for each of the following answers: frequency of service, speed of service hours of service and cost of service. An additional 4% of respondents said they would ride transit when the per gallon cost of fuel rises to $4.00 per gallon or greater

Additional Public Comments

The survey also requested open ended comments. There were many divergent comments, some of which supported transit and others that did not. The comments can briefly be categorized as follows:

- Cool Springs needs a mass transit system
- Express buses or commuter rail and light rail services to /from outlying areas would be helpful
- Transit will only work if it is frequent enough, provides service almost door to door, and costs less than driving
- It is important to get ahead of the growth
- The roadway infrastructure is underbuilt; roads and ramps need to be widened and traffic signals need to be adjusted
- No one will ride transit when it is nicer and easier to drive one's car
- Buses won't make a difference in commuting; buses will get stuck in traffic similar to cars
- Sidewalks and bike lanes are important and would encourage people to walk or bike

Stakeholder Survey Results

In addition to a public survey, a Stakeholder Survey was also sent out to Cool Springs employers. A copy of this survey is provided in this section. Eleven surveys were returned. The purpose of the survey was to identify whether any of the companies currently offer incentive programs to their employees to use alternative means of travel to get to work and if not, would they be willing to sponsor or encourage an alternative means of transportation program. The following is a summary of the results of the survey.

Question: Do you know if any of (employees) use carpools/vanpools/transit to get to work?

Answer: Two companies reported that their employees use vanpools to get to work.

Question: Does your company provide any type of incentives to encourage employees to use an alternative means of transportation such as carpool/vanpools/transit?

Answer: One company reported they hand out free bus passes for work related trips.

Question: Does your company currently offer options such as telecommuting, condensed work schedules, or flexible working hours?

Answer: Eight of the companies report that they offer options for their employees. One company reported that their employees can work from home based on personal need but not as a regular occurrence. Five other companies offer flexible working hours, and telecommuting and 1 company stated they will consider this. Two other companies (one hospitality and the other healthcare) offer staggered work/shift hours.

Question: Would your company be interested in sponsoring or encouraging transit or other transportation options such as (note: more than one option can be checked):

Answer:

- Corporate-sponsored carpool and vanpool programs (1 respondent)
- Well-publicized award systems rewarding employee mode shift (3 respondents)
- Commuter Tax Benefit promotion (3 respondents)
- Enrollment in "Best Work Places for Commuters" Program (2 respondents)
- Location of bikeshare station on your company/agency property (3)

Additional Key Stakeholder Comments

The survey also requested open ended comments. The comments can briefly be categorized as follows:

- Development patterns need to change to allow more pedestrian focus
- If people are going to use transit, need to drop people off close to their destinations
- Supports transit technology which will allow you to know when bus will arrive
- Proper and robust connectivity to downtown Franklin and other outlying areas is essential
- Frequent (15 minute) service is important
- School traffic should not impede commuter traffic; school hours should be revised
- Traffic signals need to be synchronized

Public Open House

Public open houses were held on Tuesday, April 28, 2015 at One Franklin Park, 6100 Tower Circle, in Cool Springs. The meeting flyer is provided in this section.

A breakfast meeting was held from 7:30 to 8:30 a.m. and was well attended by stakeholders and government officials. Two other public open houses were held for the general public; one was held from 11:00 a.m. to 2:00 p.m. and the other from 4:30 p.m. to 7:30 p.m. A power point presentation which presented the study background and results was presented at each meeting. The public was then encouraged to review the boards displayed in the room and to participate in interactive exercises including identifying where they lived and work and which local transit alternative they supported. They were also encouraged to fill out the public survey in order to express their opinions.

Over 100 people attended the three open houses. Many of the attendees reported that they worked in Cool Springs; a few also lived within the study area. Support for the local transit service options presented was evenly split between the three options. Comments received were positive and in support of adding multimodal options within, to, and from the Cool Springs area. Comments included:

- It is critical to identify funding sources, including public-private partnerships
- Land use densities that support transit are necessary
- It is important to develop workforce housing within Cool Springs
- The "psychological" part to transit is critical to identify; i.e. what would it take to attract people to transit

COOL SPRINGS MULTIMODAL TRANSPORTATION STUDY

Thank you for taking the time to provide your feedback on the Study. Your ideas are important to us.

Name and contact information (optional) ______________________________

Zip Code where you live __________ If you live in Franklin, is your address East or West of I-65 __________

Zip Code where you work __________ If you work in Franklin, is your address East or West of I-65 __________

What is your commute travel time between home and work?

Morning ________hours ________ minutes ***Evening***________ hours ________minutes

What is your primary means of travel to or from Cool Springs? (circle all that apply)

a) Franklin Transit Fixed Route
b) Franklin TransitOnDemanD (TODD) service
c) Express Bus
d) VanStar Vanpool
e) Carpool
f) Bicycle
g) Walking
h) Car or other single occupancy vehicle
i) Other ____________________

Where have you used transit over the last twelve months? (circle all that apply)

a) Franklin
b) Nashville
c) Elsewhere in the United States
d) Elsewhere outside the United States
e) I have not used transit in the last 12 months

If you work in Cool Springs, do you walk or bike during your lunch break?

a) Yes
b) No

If so, why do you walk or bike at lunch?

a) To reach a destination
b) Recreation/Exercise
c) Both
d) Other ______________________________

Public Survey

Would you use transit at lunch to move about the Cool Springs area if ? (circle all that apply)

a) You could depend on reliable service every 15 minutes
b) The service was free
c) Not at all

Would you be willing to use a park and ride location to access an express bus route or vanpool? (circle all that apply)

a) Go to an event in Nashville
b) Go to work in Nashville
c) Go to work in Cool Springs
d) Go to work in another area ______________________ *(location)*

What factor(s) would most likely encourage you to use transit for your journey to work? (circle all that apply)

a) Frequency of service
b) Speed of service
c) Hours of service (service span)
d) Cost of service
e) Per gallon cost of fuel rises to __________

What other comments do you have regarding transit in Cool Springs?

____
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Please turn this Survey in to the Sign-In Desk at the Public Meeting or as follows:
Email: publicmeetings@tmagroup.org or gmtrimarco@transystems.com
Mailing Address: Ms. Gina Trimarco, Project Manager, TranSystems, 222 S. Riverside Plaza, Chicago IL 60606
Fax: 312-276-4805

Funding for the Study provided by: Federal Transit Administration, State of Tennessee, and City of Franklin

Public Survey (continued)

COOL SPRINGS MULTIMODAL TRANSPORTATION STUDY

Employer Survey

Thank you for taking the time to provide your feedback on the Study. Your ideas are important to us.

Name and contact information ____________________

Name of company/agency ____________________

How many people does your company/agency employ in the Cool Springs region? ____________

Do you know if any of them use carpools/vanpools/transit to get to work? Yes ______ ***No*** ______

If so, do you know how many or what percentage use carpools/vanpools/transit? ____________

Does your company provide any type of incentives to employees to get them to use an alternative means of transoportation such as carpools/vanpools/transit? Yes __________ ***No*** __________

If yes, please describe the type of incentive here ____________________

Does your company currently offer options such as telecommuting, condensed work schedules, or flexible working hours? Yes ____________ ***No*** ____________

If yes, please describe type of work option here ____________________

Would your company be interested in sponsoring or encouraging transit or multimodal transportation options such as: (circle all that apply):

1. Corporate sponsored carpool and vanpool programs

2 . Well publicized award systems rewarding employee mode shift to ridesharing, transit and biking

3. Commuter Tax Benefit promotion

4. Enrollment in the "Best Work Places for Commuters" program

5. Location ofa bike share station on your company/agency property

Other ideas you would be willing to do to encourage employees to use transit and other multimodal options to commute to work ____________________

What other comments do you have regarding transit in Cool Springs?

____

____

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Please turn this Survey in to the Sign-In Desk at the Public Meeting or as follows:
Email: publicmeetings@tmagroup.org or gmtrimarco@transystems.com
Mailing Address: Ms. Gina Trimarco, Project Manager, TranSystems, 222 S. Riverside Plaza, Chicago IL 60606
Fax: 312-276-4805

Employer Survey

Community Meeting for Cool Springs Multimodal Transportation Transit Network Study

Tuesday, April 28, 2015.   11:00 AM–2:00 PM (light lunch will be available) & 4:30 PM–7:30 PM

The TMA Group and the Franklin Transit Authority have conducted a transportation study through Transystems, a distinguished transportation consulting firm, for the Cool Springs area of Franklin. The TMA Group will be holding a community meeting for highlighting the recommendations of the study and to receive input from the community on the transportation opportunities in Cool Springs.

Located on W. McEwen between Interstate 65 and Carothers. Parking available in parking structure. Address: 6100 Tower Circle, Franklin, TN

Two Community Comment meetings will be held on Tuesday April 28, 2015 from 11:00 AM– 2:00 PM (light lunch will be available) and 4:30 PM–7:30 PM. The meetings will be held at Cool Springs newest multi-use development:

One Franklin Park 6100 Tower Circle, Cool Springs

These meetings are intended to generate public comments from as many businesses, employees, residents, shoppers, and corporate partners in the Cool Spring area as possible. So please plan to attend and share your ideas about the future of transit and transportation in Franklin.

Directions from Franklin: I-65 North, Exit W. McEwen Drive (Exit 67). Turn right onto W. McEwen. Turn left onto Tower Circle.

Transit on Demand service is available through Franklin Transit within the City of Franklin service area. (615) 628-0260 (48 hr notice)

Persons with a disability or special needs, who require aides to participate at the meeting, may contact Mike Johnston directly at (615) 628-0260 (48 hours notice)

All comments received at the meeting or within the specified comment period will be included in the official meeting transcript. In addition, comment cards are available for those who prefer to make written statements. Written statements and other exhibits may be submitted by May 9, 2015, by email to publicmeetings@tmagroup.org, or by mail to The TMA Group, 708 Columbia Ave, Franklin, TN 37064

Public Comment Meeting Flyer

COOL SPRINGS

Multimodal Transportation Network Study

EXISTING CONDITIONS REPORT

APPENDIX

APPENDIX: A
Existing Conditions Report

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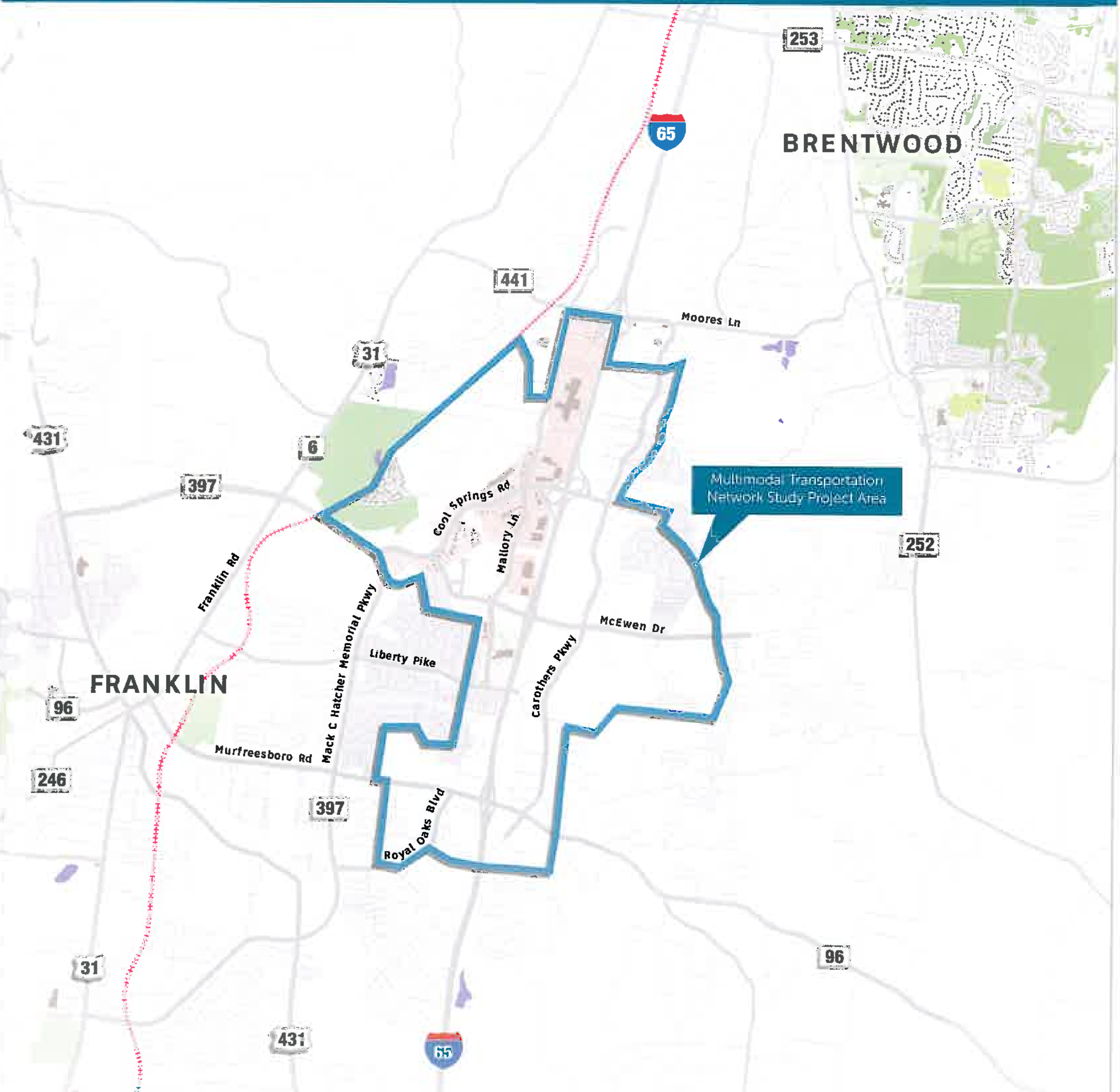


Cool Springs Study Area Map

Cool Springs is a major employment and retail center for the City of Franklin located in Williamson County, Tennessee. It is considered a regional center, drawing shoppers and clients from all around the Middle Tennessee, Southern Kentucky, and North Alabama areas. The upscale development grew around the Cool Springs Galleria shopping mall, which first opened to the public in August 1991. The area has since expanded to encompass land on both sides of Interstate 65 and includes several luxury hotels, strip malls, business parks, office buildings, big box retailers, low-rise apartments, condominiums, and restaurants. The Cool Springs area is home to many major companies including Healthways, Nissan North America, MedSolutions, Community Health Systems and Tasti D-Lite.

EXISTING CONDITIONS

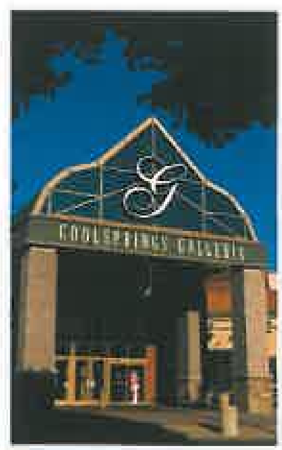
1. Introduction

The goal of the Cool Springs Multimodal Transportation Network Study is to determine the extent of a purpose and need for an integrated multimodal transportation network in the Cool Springs area of Franklin, TN including but not limited to a transit circulator system, ridesharing, fixed route and express bus service connectivity, park and ride facilities, and pedestrian/bicycle system as integrated components.

The Existing Conditions Report will begin the groundwork for Plan recommendations. The report contains the following sections:

- ***Prior Studies***
- ***Demographics and Land Use***
- ***Travel Patterns***
- ***Existing Transit Services***
- ***Pedestrian and Bike Connections***
- ***Roadway and Parking Conditions***
- ***Appendix***




2. Prior Studies

Although there have not been any studies directly related to transit, bike, or pedestrian access to Cool Springs, several past studies - mostly dealing with the roadway network - have incorporated these elements.

Carothers Parkway and East McEwen Drive Integrated Growth Plan (2013):

This local study recommends a roadway growth plan on McEwen Drive between Mallory Lane and Cool Springs Boulevard and from Liberty Pike and Cool Springs Boulevard on Carothers Parkway. As part of the report, they advise Franklin Transit Authority to consider offering more transit east of I-65. It also recommends the establishment of express route stops for Route 91X and Route 95X in the vicinity of McEwen Drive and Carothers Parkway.

2035 Regional Transportation Plan (2010):

This plan, put out by the Nashville Area Transportation Planning Organization (MPO), makes several transit recommendations for the Cool Springs study area. One recommendation, adding an additional trip on Route 91X, has been implemented. The MPO identifies the corridor roughly along I-65 (called "the South Corridor") as a future corridor for high capacity transit in some form, either bus rapid transit (BRT), light rail (LRT), or commuter rail.

Franklin Major Thoroughfare Plan (2010):

The Major Thoroughfare Plan (MTP), issued in coordination with the Williamson County MTP, recommends a series of roadway projects in the Cool Springs study area, mostly involving road widening. A table in the Future Roadway Improvements section at the end of this documents delineates the specific projects included in this plan, including the horizon year. This Plan is currently being updated for 2014.

Greenway and Open Space Plan (2010):

Intended as expansion of the 2008 Land Use Plan's sustainability guiding principles, this document lays out three major principles in order to reach the City of Franklin's goal in becoming one of the top 25 sustainable cities in the country. Open-space preservation, connections between these preserves and surrounding land uses, and the linking of disparate open spaces together into greenways are the key elements of this goal. The plan recommended a series of bike lane and pedestrian improvements in the Cool Springs study area. The following roads in the study area were recommended to have bike lanes: Carothers Parkway, Murfreesboro Road (Tennessee Route 96) and Mallory Lane. Multi-use paths are proposed on the entire length of Carothers Parkway, McEwen Drive, Murfreesboro Road (Tennessee Route 96), Mallory Lane, and Cool Springs Boulevard.

Sustainable Community Action Plan (2009):

This plan, put out by the City of Franklin, recommended as an action item the establishment of an express route between Spring Hill and Nashville by 2013, with the Franklin to Nashville service beginning in 2009. The implementation of Route 91X that year satisfied the latter benchmark. The report also recommends a Southern Corridor Study needs assessment by the MPO, which has yet to be initiated.

Franklin Land Use Plan (2008, amended 2011):

The Franklin Land Use Plan recommended that well-lit park-rides be established at retail centers. It also encouraged the Nashville MPO to make an LRT or BRT route between Franklin and Nashville a top priority, although no alignment was specifically favored. Further explication of this Plan as it relates to the Cool Springs study area will be in the Land Use section.

Roadway Enhancement Plan (2001):

The City of Franklin adopted this master plan in order to create a uniform design standard for several types of roads in the City. Of the five priority roadways chosen as the basis for these design standards, three are in the Cool Springs study area: Mallory Lane from Liberty Pike to Jordan Road; the Murfreesboro Road (Tennessee Route 96) and I-65 interchange; and the Cool Springs Boulevard interchange with I-65. Mallory Lane is classified as a Suburban Civic/ Commercial roadway. In the design guidelines for this type of roadway, the inclusion of a parkway strip between pedestrians and the road is recommended. Also, general recommendations include the inclusion of bike infrastructure, such as bike racks and off-street bike trails along the rights-of-way of major streets. Transit stops in areas like the Cool Springs study area are to be designed with decorative elements matching the rest of the roadway and include way finding signs including a transit map, a sign for the stop name, and a covered waiting area with seating. The general guidelines for the Cool Springs roadways were adopted, and the pedestrian guidelines were adopted for new and reconstructed arterials. But most of the bike and transit recommendations were never adopted.

3. Demographics and Land Use

Socio-Economic Conditions Today

The Cool Springs study area is located in Franklin, TN in Williamson County. Between 1990 and 2010, the City of Franklin's population has grown from 20,098 to 62,487, tripling the size of the City. It is estimated that the City has added another 6,000 people since then. This explosive growth coincides with the emergence of Cool Springs study area as a major commercial draw for the region.

Existing Population

The U. S. Census (2010) indicates that there are approximately 17,000 people currently living in the Cool Springs study area. As shown on the map in *Figure 1*, most of the denser population centers are grouped on the perimeter of the study area. There is an 18% minority population in the study area, with the predominant minority being Asian, which makes up about 12% of the population in the study area *(see Figure 2)*. The minority population is similar to Franklin as a whole, with the difference being that there are a higher percentage of Asians in the study area and a lower number of African Americans and Hispanics.

Household Income

There is little poverty within the study area. 42% of households in the Cool Springs study area have a household income of $100,000 or greater per year. 11% of the households are considered low income (income less than $25,000/year). The census tract with the highest poverty rate draws most of its poor residents from farther west in the neighborhoods abutting Liberty Pike. Cool Springs draws workers from the entire region, however. The income statistics of some of these contributing areas are shown in *Table 1*.

Table 1: Comparison of Income in Cool Springs and Surrounding Areas

	Total Households	< $25,000	$25,000-34,999	$35,000-49,999	$50,000-74,999	$75,000-99,999	$100,000-199,999	< $200,000	% Low Income	% High Income
Cool Springs	12,185*	1,379	972	1,279	1,719	1,794	4,049	965	11.3%	7.9%
Rest of Franklin	13,946	2,569	863	1,192	1,342	2,279	3,273	2,456	18.4%	17.6%
Murfreesboro	41,261	9,261	4,560	6,692	7,411	5,116	6,260	1,261	22.4%	3.1%
Spring Hill	9,743	516	750	1,203	2,157	2,001	2,880	236	5.3%	2.4%
Antioch (area)	11,978	3,209	1,972	2,743	2,362	807	855	39	26.8%	0.3%

*Source: Census tract level data. Some households are outside the study area.

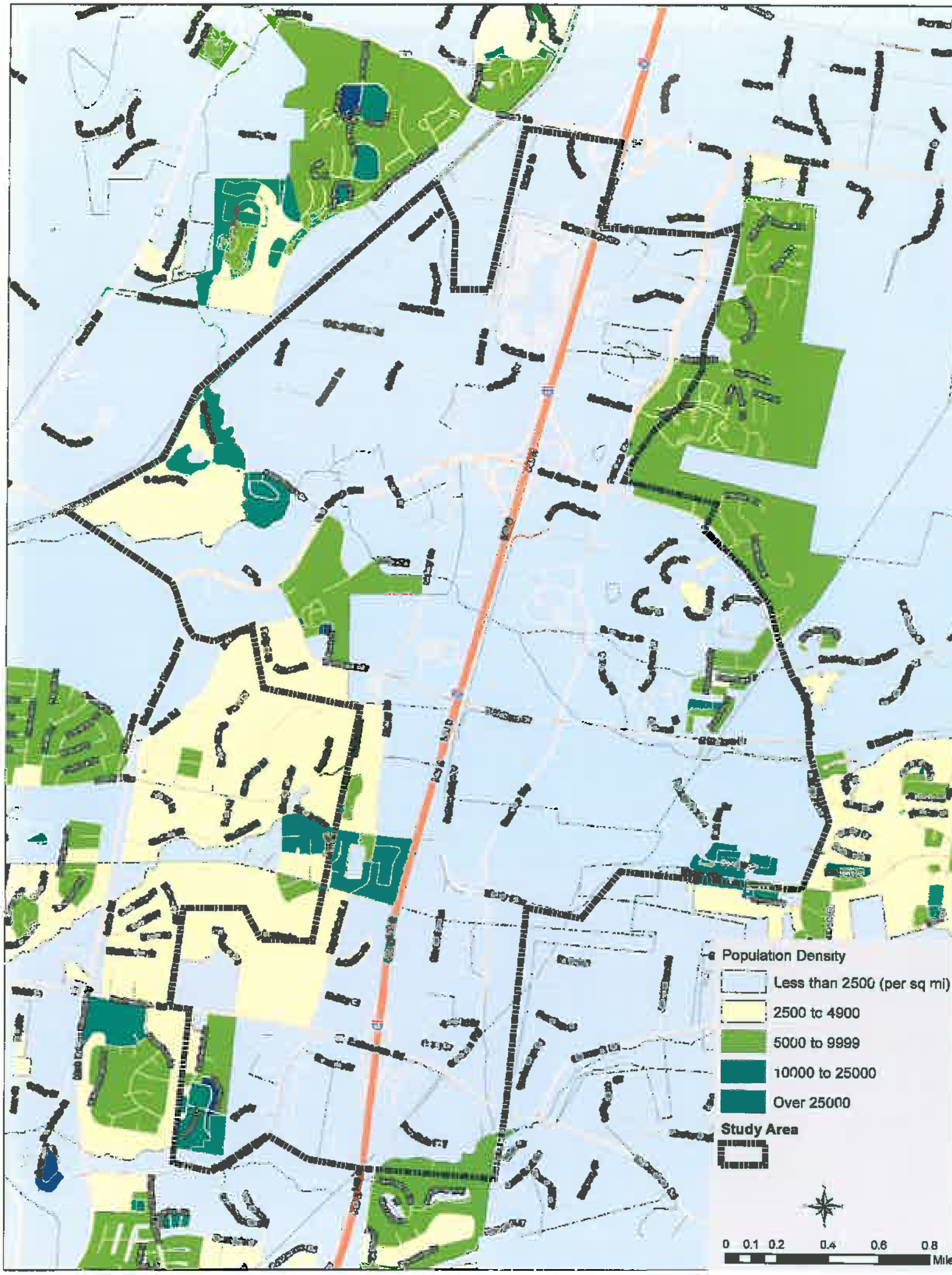


Figure 1: **Population Density in the Cool Springs Study Area**
source: Nashville Area MPO Employment and Population Forecasts

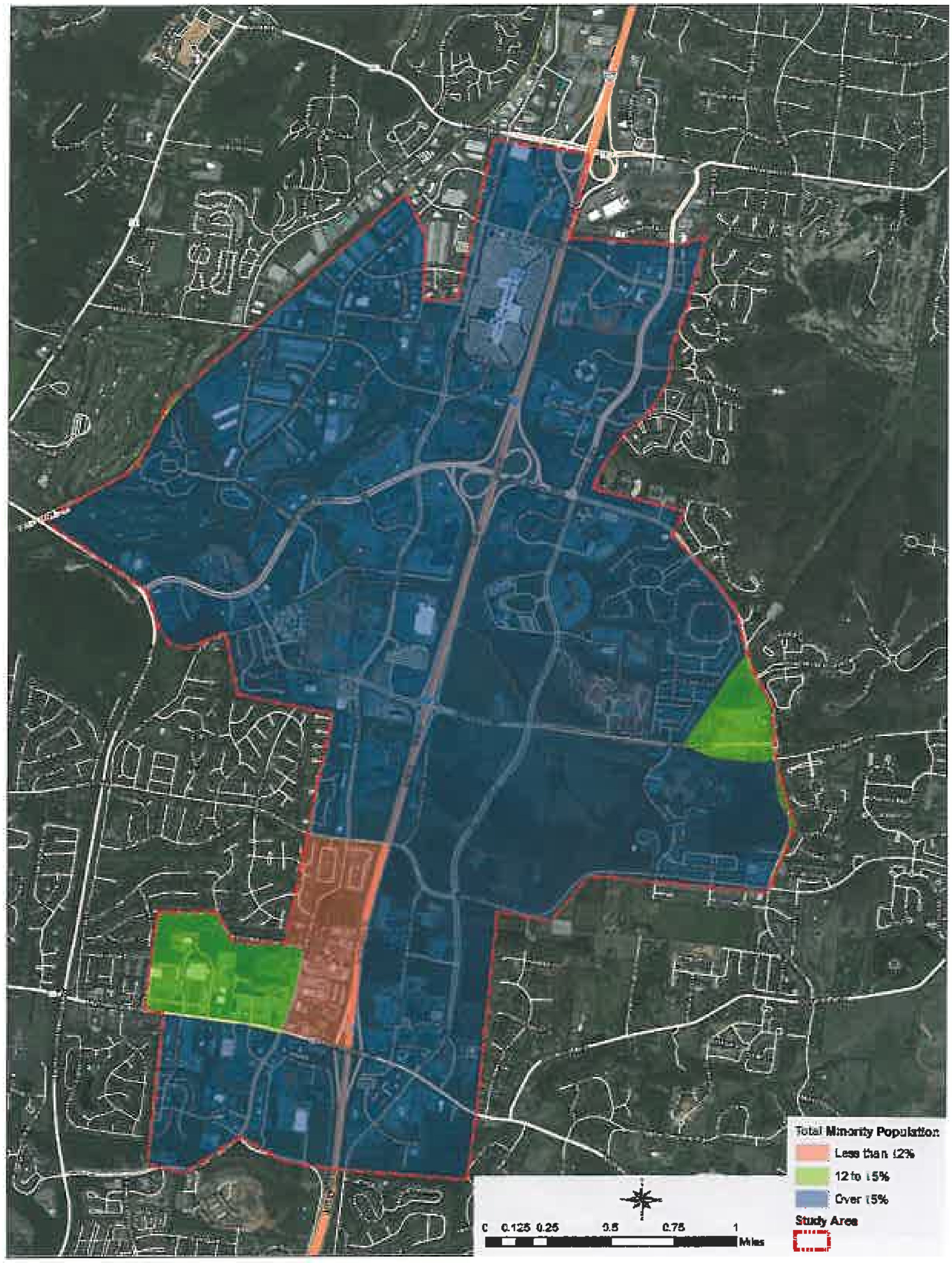


Figure 2: **Minority Population of the Cool Springs Study Area**
source: 2010 Census

Existing Employment

The Cool Springs study area is a major employment center. Due to the campus like atmosphere, jobs are spread out throughout the area. Denser pockets of employment, both retail and office centers are shown in *Figure 3*.

The health care industry is the major employment sector in the Cool Springs study area with 15 companies that employ 200 or more workers calling the area home. Those employing over 1,000 workers include the largest employer in the corridor, Community Health Systems (4,300 employees), Williamson Medical Center (1,440), and Healthways (1,160). Nissan (1,600 employees) and Verizon Wireless (1,300) have their North American and state headquarters respectively within the Cool Springs study area. Technology, entertainment, and manufacturing are the other major industries located within the Cool Springs study area that employ at least 200 people in at least one firm in the sector.

Household and Employment Forecasts

The Cool Springs study area shows no sign of slackening its explosive growth rate. Employment is projected to grow 36% by 2040 and households will almost double by the same year. Forecasts were projected using Census tract data.

Table 2 shows selected employment sectors in the Cool Springs area, showing forecasted growth over the next 25 years. The study area will remain largely a place for commercial activity.

Table 2: Household and Employment Forecasts*

	2012	2040	Approximate % change
Employment			
Manufacturing	1,593	1,587	negligible
Retail	13,389	19,241	44%
Office	33,930	57,923	71%
Households	6,342	12,550	98%

*Source: Nashville Area MPO Employment and Population Forecasts

Land Use

Current Land Use

The Cool Springs study area incorporates multiple land uses. The current built environment contains many types of residential housing (single family detached, multi-story apartment complexes, townhomes, and condominiums), retail (mixed-use, traditional suburban, big box, regional mall, strip centers), office (some within planned unit developments, some as single uses), and industrial (light, heavy, and warehousing). Within the undeveloped areas of the study area, everything is permitted except industrial. There is a transportation impact fee based on square footage and type of use that is charged to any development in the study area[1]. However, none of that is dedicated to transit.

Most new housing that is being built is priced at over $500,000. The lack of housing affordability for the working and middle class in the study area continues to be an issue, especially in the retail sector, when employers are attempting to fill jobs.

[1] Section 16-418 of the Franklin Municipal Code

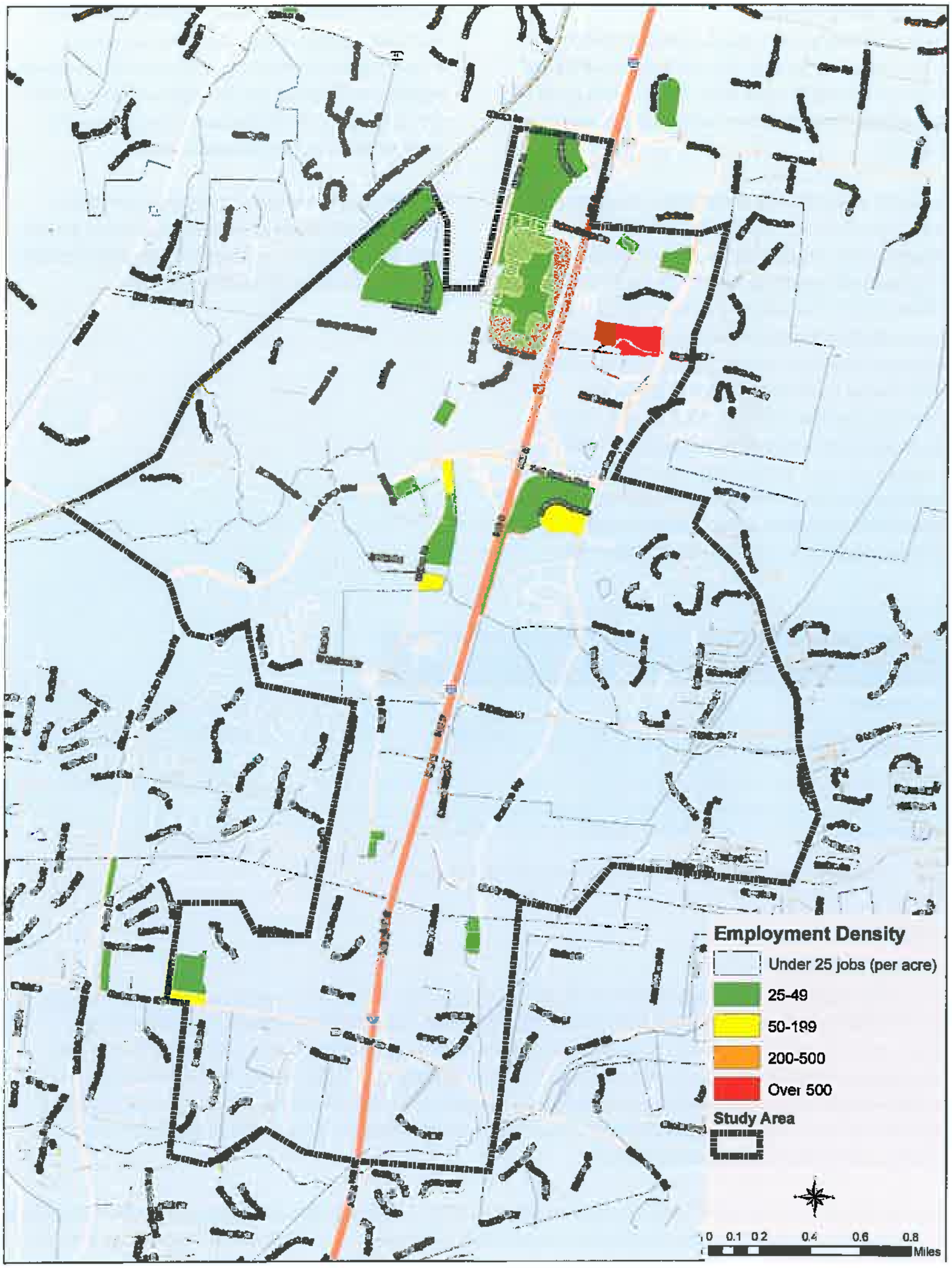


Figure 3: **Employment Density in the Cool Springs Study Area**
source: Nashville Area MPO Employment and Population Forecasts

Projects Proposed and Under Construction

With an office vacancy rate of just 3%, there is continued high demand for office space in the Cool Springs area. Some limitations on development on the east side of I-65 is the 10-story limit on high-rise construction, and a large slope roughly half way between Liberty Pike and McEwen Drive that cannot be built on due to Article VII, Division 7114 to the Williamson County land use code, which only permits 5% of the slope at that gradation to be developed. The retail focused (west) side of I-65 is almost fully built out, but there are a few infill developments underway.

Projects on the east side of the Cool Springs study area either in development, or under construction, are particularly focused on the intersection of McEwen Drive and Carothers Parkway.

- **Ovation** *(http://www.ovationcoolsprings.com)* is a 147-acre mixed use development slated for the southeast corner of McEwen and Carothers. Designed to attract millennials, it will contain 350,000 square feet of retail, 1.4 million square feet of office, and a 300 room hotel. A mix of housing types, including row houses, high rises, and detached housing will be present on-site. The project adheres to "smart growth" principals, and will include an internal trail and path system connecting the active land uses with 57 acres of preserved open space. The estimated date of completion is unknown, although ground has already been broken on the project.

Ovation, master-planned mixed-use lifestyle project.
(Source: Rendering from http://www.ovationcoolsprings.com/)

- **Franklin Park** *(http://franklinparkcs.com/)* is currently under construction at the northwest corner of Carothers and McEwen. When fully built out, it will feature 1.25 million square feet of office space, a 600 person capacity amphitheater (in the near term, this will be for tenant use only), and a 10-story apartment tower. The office building is scheduled to be completed by the end of 2014.

Franklin Park Master Plan - 71-acre office campus
(Source: http://www.http://franklinparkcs.com/)

- New apartment homes and condos are being built at the northeast corner of the intersection. Although primarily as residential development, it will include 300,000 square feet of office space.
- On the southwest corner of Carothers and McEwen, Vanderbilt University has owned the land since 2008, with plans to build a 500,000 square feet medical campus. It is unclear when construction of the facility will begin.
- Elsewhere in the vicinity of this intersection, Columbia State Community College is building a new campus on 36 acres off Liberty Pike, approximately a half mile east of Carothers Parkway. This campus will be open in the spring of 2016.

- Some smaller scale office developments (under 500,000 square feet) are being developed at the corner of Liberty Pike and Carothers Parkway. These are the more traditional, suburban-style office developments.
- On the west side of the corridor near the Cool Springs Galleria, development is occurring as follows:
    - Near Mallory and McEwen Drive, a 40 acre mixed use site, whose commercial component will be retail, rather than office uses, is under development.
    - Smaller scale development activity (both retail and dense residential) is occurring along Cool Springs Boulevard between Windmere (where a new traffic light is being installed) and McEwen Drive.
    - The Galleria is being revitalized. With the closing of Sears, a 9,000 square foot Cheesecake Factory is being built, along with an American Girl Place. The first phase is scheduled to be completed in 2015, with final construction to be finished in 2016.
- New single-family residential construction will continue to be built at the far eastern edge of the Cool Springs study area, with a mixture of attached townhomes and condos with detached houses. Price points for these homes are currently around $300,000 for attached homes, and above $500,000 for detached homes.

Future Land Use

The Franklin Land Use Plan, adopted in 2008 (and amended in 2011), divided the City into several "Character Areas". The area that encompasses the Cool Springs study area is called McEwen. The character area is further divided into 10 special areas, each of which have design concepts attached to them that will guide future development. Six of these special areas are in Cool Springs as shown in *Figure 4* and described below:

- ***Special Area 1*** is intended to remain the way it is now, a light industrial district.
- ***Special Area 3*** is built out with apartments, and no change is expected here.
- ***Special Area 4***, which encompasses most of the study area, should be developed with a mixture of attached and detached residential, with neighborhood or local retail uses built nearby, or within the same building. Higher intensity commercial uses should straddle I-65, with developments farther away from the interstate having less density. Local retail (both sides of I-65) and attached residential (east of I-65) can also be used as a transition between Regional Retail (big box stores, malls) and detached residential neighborhoods. All big box retail is to be concentrated west of I-65.
- ***Special Area 5*** is seen as a flawed gateway to the City. An integrated design and a long-term revitalization plan for the area are needed, the plan says, if the gateway is to become an appropriate introduction for regional travelers to the City.
- ***Special Area 9*** is an extension of this gateway concept, with high quality design standards (promoting a "small town feel") to be applied along Murfreesboro Road.
- ***Special Area 10*** has a fully established character as a semi-gated planned unit development that should be matched when any new development occurs.

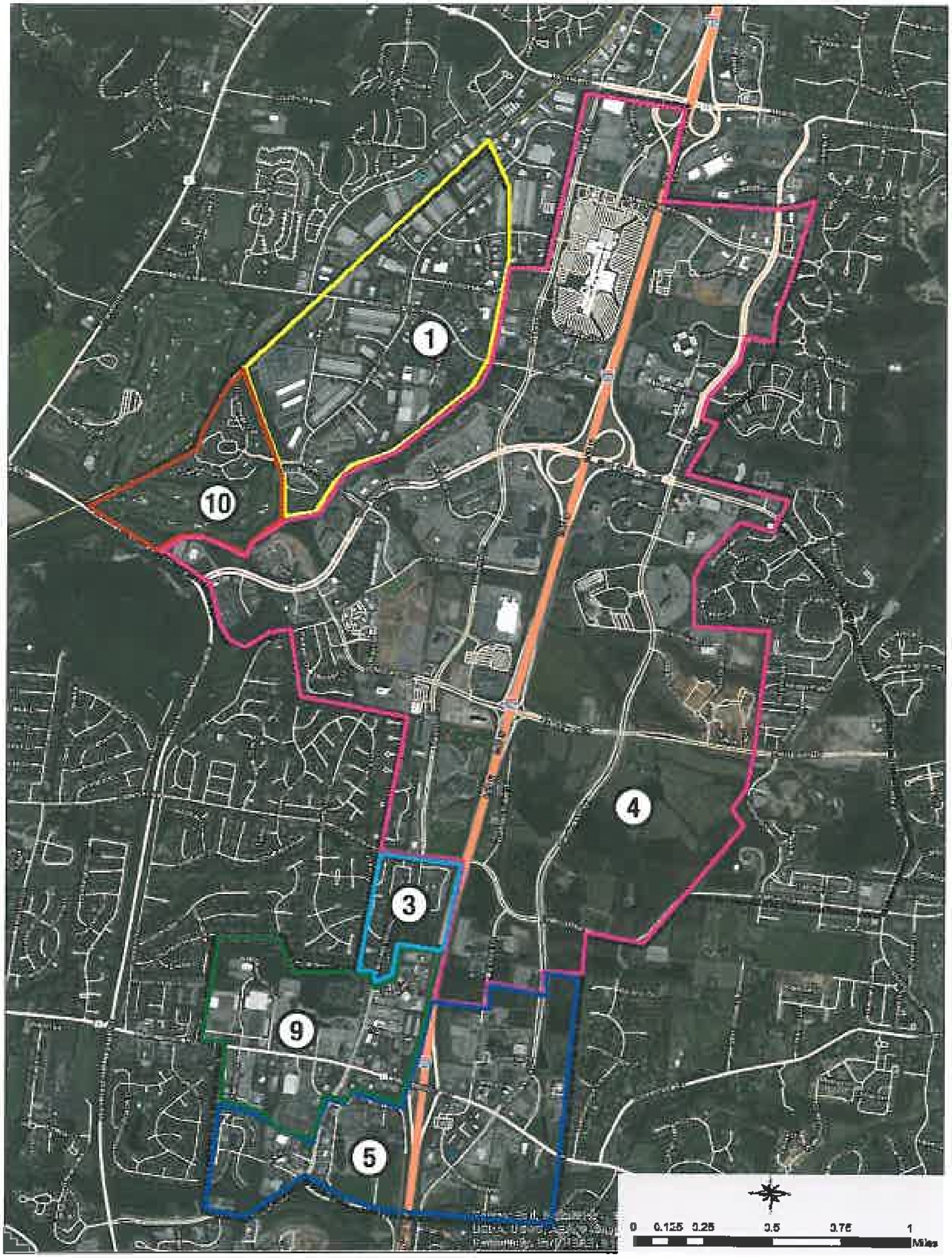


Figure 4: **Special Areas in the Cool Springs Study Area**

4. Travel Patterns

Residence Locations of Workers in the Corridor

As shown in *Figure 5 and Table 3*, most workers in Cool Springs come from the City of Franklin outside the Cool Springs area. In addition, sizeable pockets come from Spring Hill/Columbia and the Antioch community of Nashville. Somewhat surprisingly, there are no concentrations of workers from the West End or East Nashville neighborhoods of Nashville. The majority of retail workers come from Franklin—due to the low pay of these jobs and high cost of living locally, these are most likely not the primary earners in their households. Jobs paying between $15,000 and $40,000 a year have highest percentage of workers (who commute to Cool Springs) coming from the southeastern neighborhoods of Nashville and Columbia. Higher wage jobs are generally filled by workers from Spring Hill.

Table 3: Top 10 Home Locations for Workers in the Cool Springs Study Area*

		Count	Share
Total Primary Jobs		**29,535**	**100.0%**
Top Home Locations	**Zip Code**		
Franklin	37064	2,443	8.3%
Brentwood	37027	1,613	5.5%
Franklin-Cool Springs	37067	1,608	5.4%
Spring Hill	37174	1,398	4.7%
Nashville Antioch community	37013	1,322	4.5%
Nashville Southern Hills community	37211	1,289	4.4%
Columbia	38401	1,025	3.5%
Smyrna	37167	698	2.4%
Franklin-North	37069	683	2.3%
Murfreesboro-West of I24	37128	641	2.2%

*Source: 2011 Longitudinal Employer-Household Dynamics Origin-Destination Statistics (LODES)

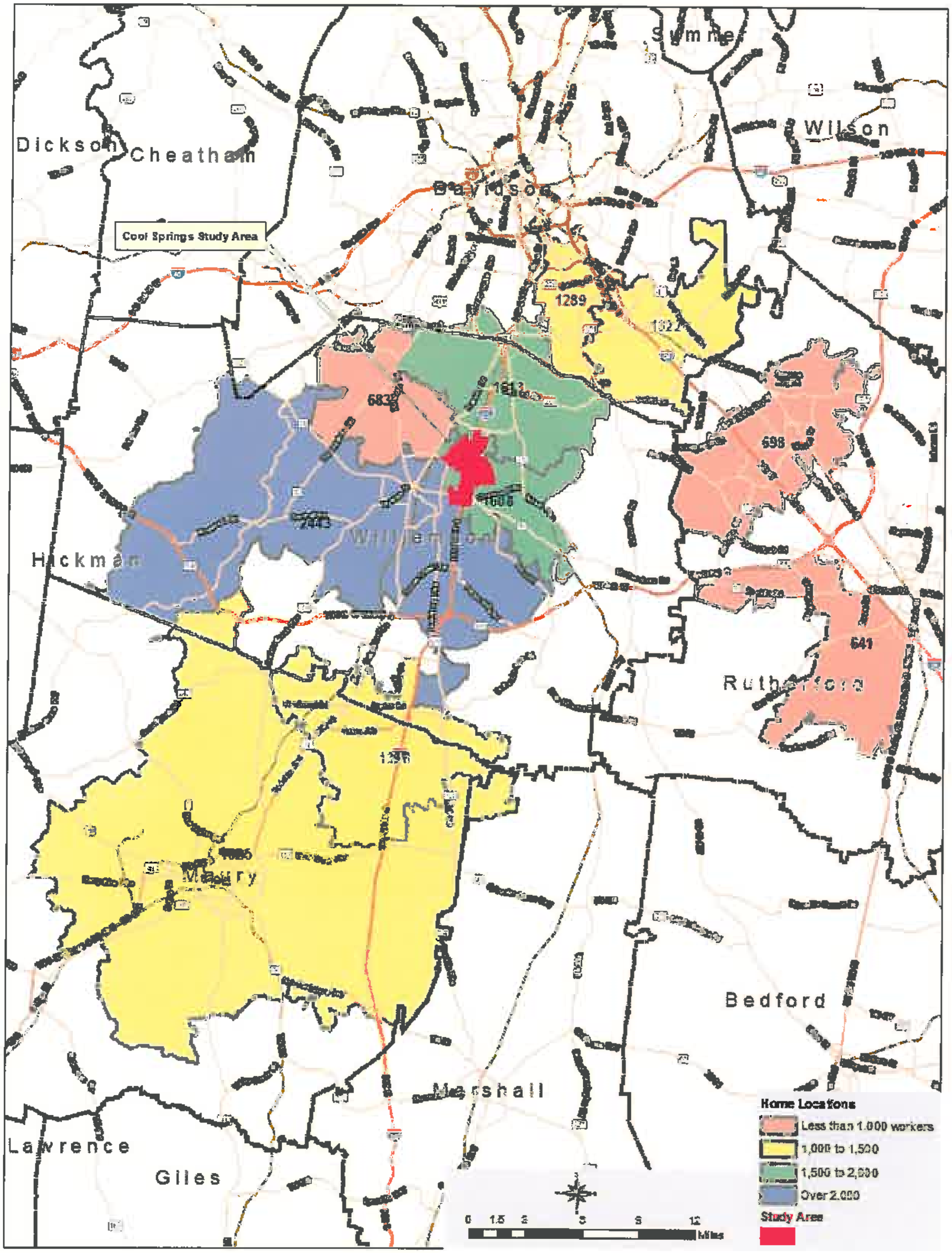


Figure 5: **Home Location of Workers in the Cool Springs Study Area (by Zip Code)**
Source: 2011 LODES

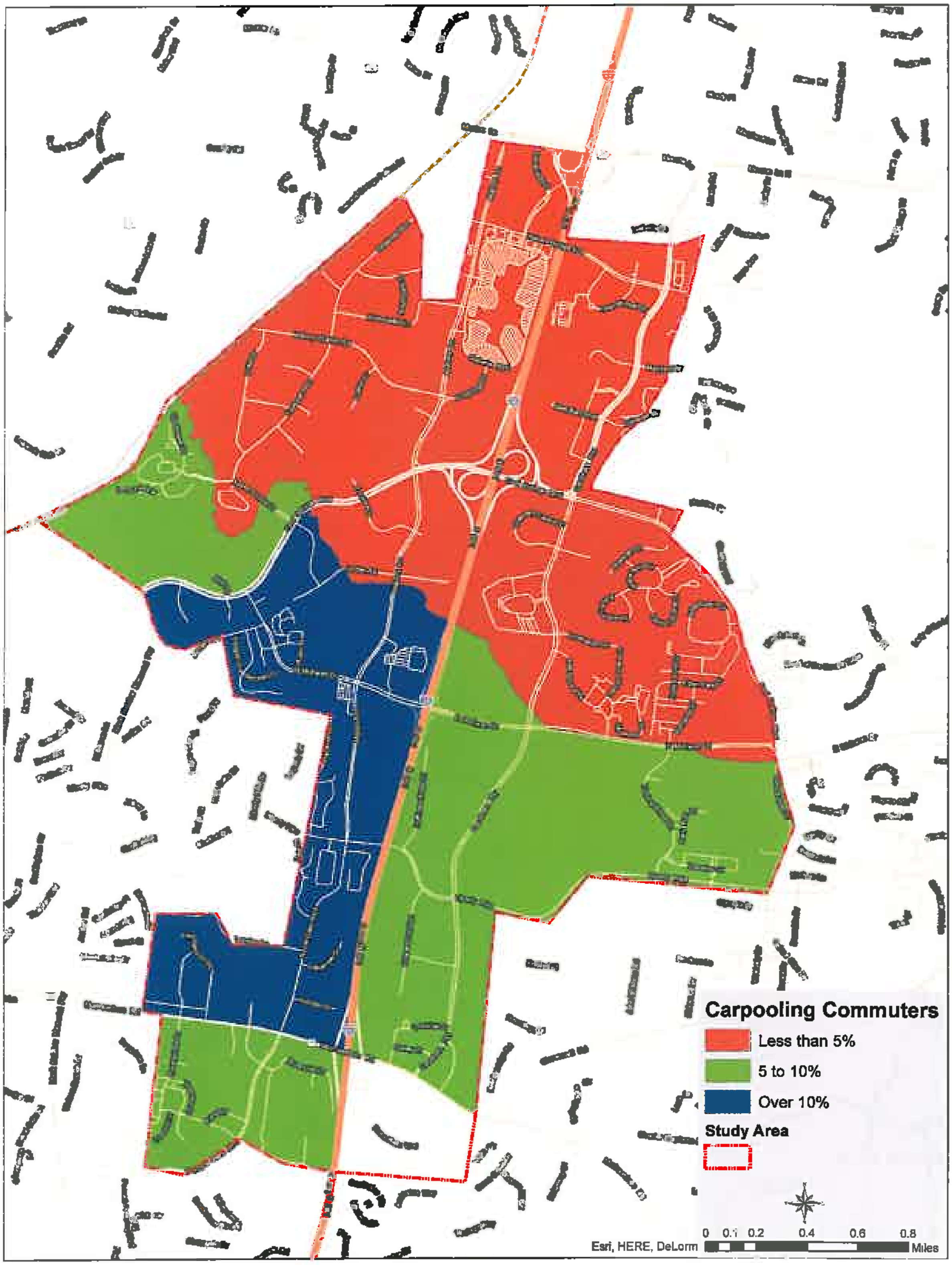


Figure 7: **Commuting by Carpool**
Source: American Community Survey 2007-2012

5. Existing Transit Services

Franklin Transit Fixed Route

The TMA Group operates three fixed routes in Franklin for the Franklin Transit Authority (FTA) - the East Bound Route, West Bound Route, and South Bound Route. Two of the routes operate at least partially within the Cool Springs study area (i.e. the East Bound Route and the South Bound Route). The East Bound Route and West Bound Route have been operating in their present alignment in Franklin since 2007, with the South Bound Route added November 17, 2011. All of the routes run hourly. They are described as follows *(see Figure 8 and Figure 9 for more routing information)*.

South Bound Route - *The Factory at Franklin to former Kmart*

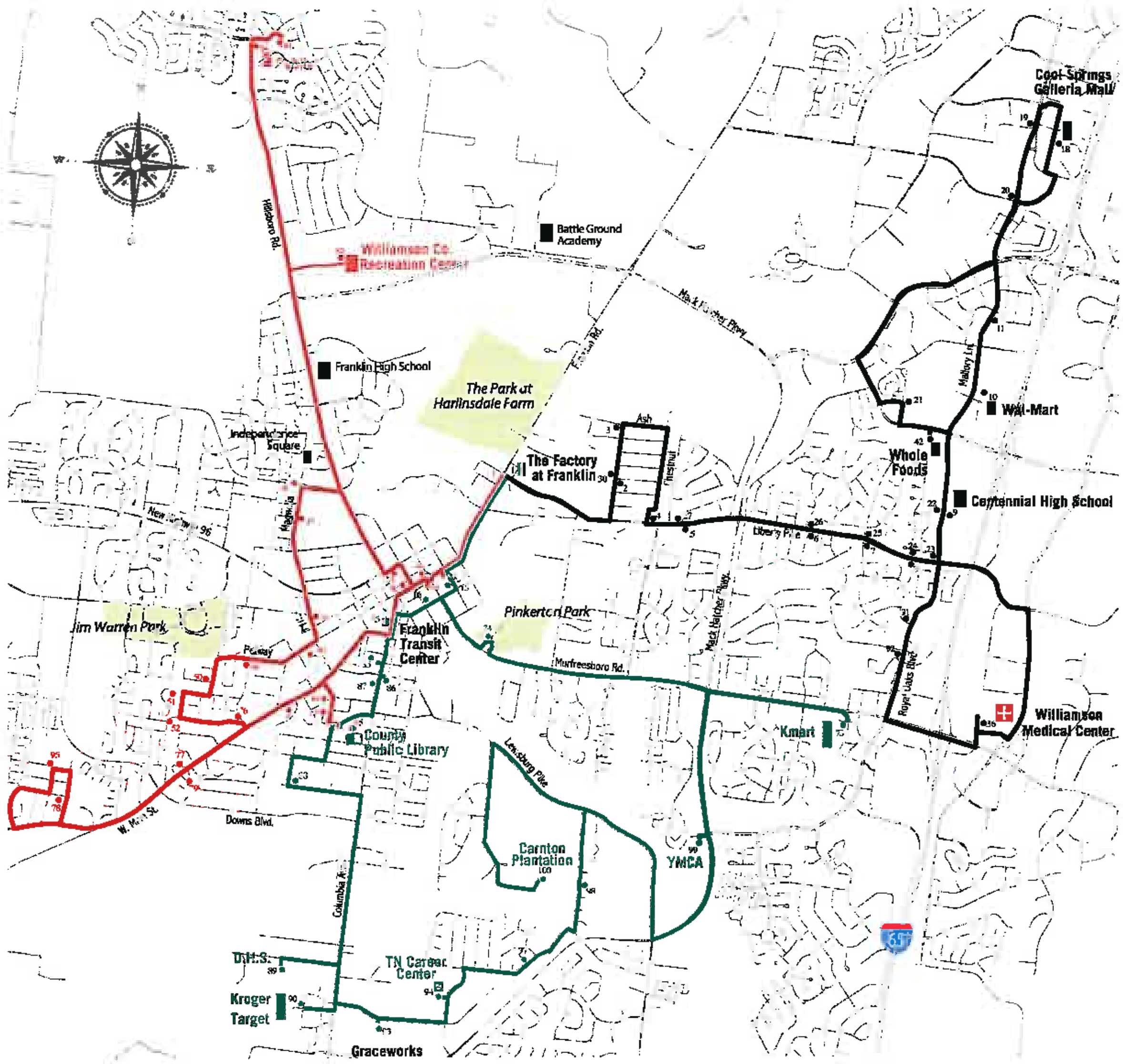
This route provides Weekday and Saturday service to the southeast quadrant of Franklin. Service is provided to The Factory at Franklin, Franklin Transit Center, County Public Library, Department of Human Services, the Tennessee Career Center, and the YMCA. Within the Cool Springs study area, the route serves Aldi and Hobby Lobby. Service is provided between 8:00AM to 4:00PM Monday through Friday.

East Bound Route - *The Factory at Franklin to Cool Springs Galleria Mall*

This route provides Weekday and Saturday service to the northeast quadrant of Franklin and the Cool Springs area. Service is provided to Williamson Medical Center, Centennial High School, Whole Foods, Walmart and the Cool Springs Galleria Mall. Service is provided between 7:00AM to 6:00PM Monday through Friday, and 9:00AM to 6:00PM on Saturday.

West Bound Route - *The Factory at Franklin to Publix and the intersection of Hardison and Cothern*

This route does not provide service to the Cool Springs study area. However, it does meet both routes serving the Cool Springs study area at the Factory at Franklin. The route provides Weekday and Saturday service to the west side of Franklin. Service is provided to The Factory at Franklin, the Franklin Transit Center, Williamson County Recreation Center, Publix, Franklin High School, and Independence Square. Service is provided between 6:00AM to 5:00PM Monday through Friday, and 8:00AM to 5:00PM on Saturday.



Franklin Transit connects people in the Franklin and Cool Springs Area by providing public transportation services. The service is managed and operated by The TMA Group for the Franklin Transit Authority. This service is provided throughout City of Franklin, including the Cool Springs area.

Figure 8: **Franklin Transit Fixed Route System**

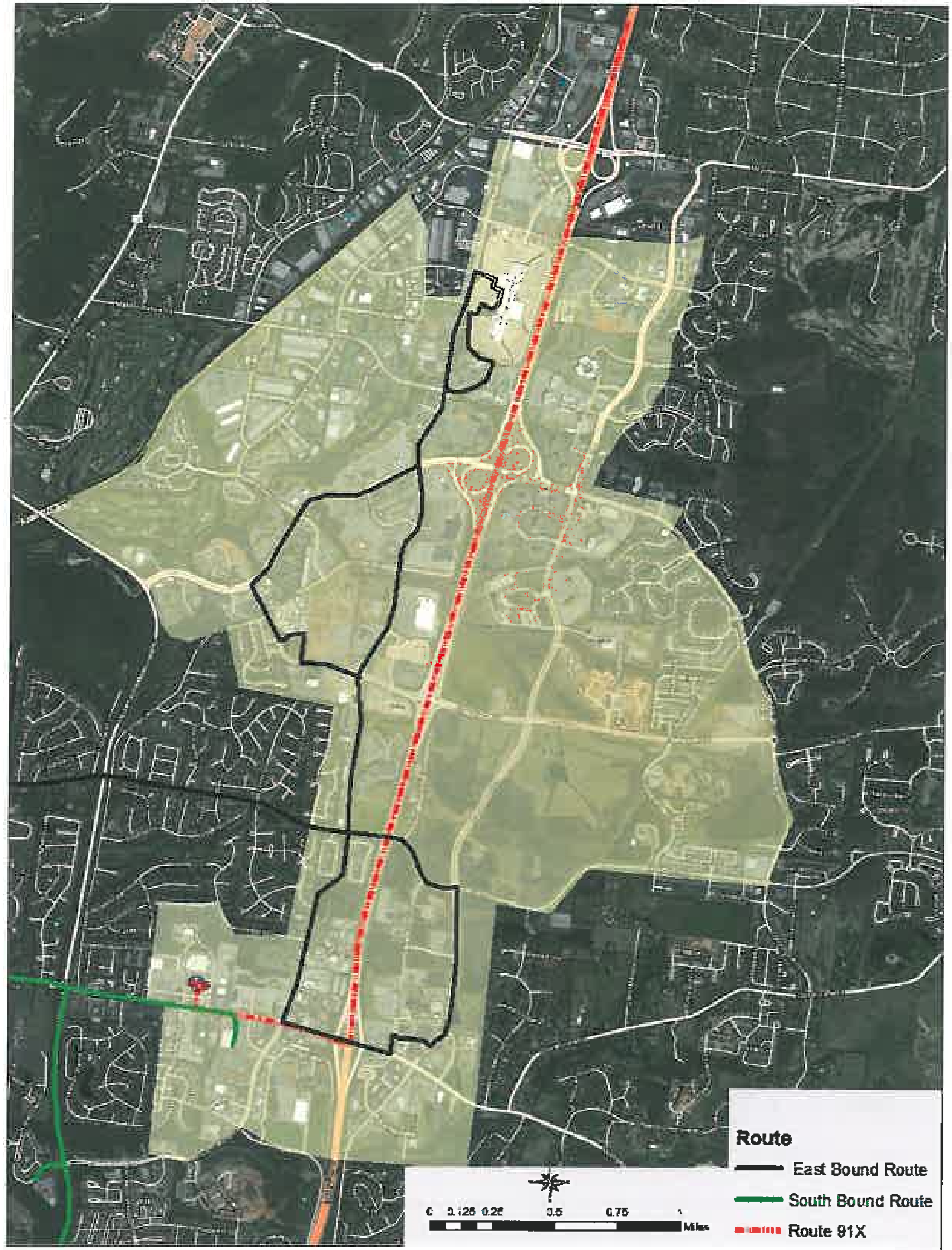


Figure 9: **Fixed Routes in the Cool Springs Study Area**

Annual Ridership for Fixed Transit

Annual ridership from July 2013 to July 2014 on the two Franklin Transit fixed routes is shown in *Table 4*. Ridership is lower on the South Bound Route than the East Bound Route. Between 20-30% of riders transfer to other routes at the Factory at Franklin..

Table 4: Total Annual Ridership July 2013 to July 2014 on Franklin Transit Fixed Routes

East Bound		West Bound		South Bound	
Stop	Boardings	Stop	Boardings	Stop	Boardings
Centennial	369	11th/Mt Hope	685	2nd/Church	88
Dwell Apts	352	11th/ Boyd Mill	343	4th/Church	354
Galleria	520	4th Ave.	171	Cannon/Fairgrounds	707
Liberty/Chestnut	1,527	Booker Mobile	343	Career Center	177
Liberty/Eagles Glen	688	Bridge/Clay Ctr	1,542	Carnton	177
Liberty/Flintock	352	Carter/Reddick	1,714	Carriage Park Dr.	88
Liberty/Liberty Hills	185	Carter/Strahl	685	Carter House	309
Liberty/Stanwick	185	Dabney/Davidson	1,199	Dept Human Service	707
Mallory/Frazier	688	Franklin Estates	1,199	Grace Works	221
Mallory/Liberty	1,191	Independence Square	685	Kmart	530
Mallory/Mallory Sta	17	Hardison Dr.	171	Parkway Commons	354
Mallory/Nichol Mill	185	Holland Park	171	Pinkerton Park	177
Mallory/Sonic	201	JL Clay	0	Plaza Street	840
Royal Oaks Apts	218	Magnolia Sussex	0	Polk Place/Julian Circle	44
Sycamore/Ash	235	Main/2nd	171	Public Library	796
Sycamore/Cedar	1,191	Main/4th	514	Factory	**1,857**
Factory	**4,697**	Main/3rd	171	Lotz	1
Viero Cool Springs	688	Natchez/Spring	171	Transit Center	**884**
Walmart	1,191	Petway /Brookwood	514	YMCA	530
Whole Foods	185	Public Library	1,199		
Williamson MED	1,912	Public/Fieldstone	171		
		Rec Center	171		
		Robin Hill/Edgewood	171		
		Shawnee/Cherokee	857		
		Factory	**2,570**		
		Transit Center	**1,028**		
		West Meade/ Brookwood	343		
		West Meade/ Robin Hill	171		
Total	**16,775**		**17,135**		**8,841**

(Note: numbers in bold are transfer locations; shaded stops are within the study area)

It should be noted that there are no bus shelters or bus-only lanes in the study area. Franklin Transit will stop "on demand" along the route to pick up or drop off passengers where it is safe to do so. However, Franklin Transit is moving away from flag stops and will only stop at signed locations in the future.

Demand Response Services

Demand response is the general term for a service in which a passenger must reserve a ride in advance. Unlike fixed-route service, in which buses travel the same route in a regular pattern and pick up any waiting passengers, demand response vehicles make only pre-arranged trips for riders who are eligible for the particular service. Franklin Transit's demand response service , Transit on DemanD (TODD) provides prearranged curb-to-curb pick up and drop off service for the general public. Two zones are eligible for TODD service, with Zone 2 meeting the FTA guidelines that American with Disabilities Act (ADA)service needs to be provided within ¾ mile of any fixed route. Zone 3 is anything beyond that distance within the Franklin city limits. Riders must call 24 hours in advance to reserve a ride. Riders are required to pay an extra fare when travelling between two zones.

As would be expected with the TODD service, the most popular destinations for non-subscription riders in the Cool Springs study area are medical facilities and offices. Popular retail destinations include the Walmart at 3600 Mallory and the Kroger at 1113 Murfreesboro Road. Centennial High School is the only other non-retail destination popular with TODD *(see Table 5)*. Most of these destinations are within Zone 2, and almost all are directly served by existing fixed route service in the area *(see Figure 10)*.

Rather than reserving a ride 24 hours in advance, riders do have an option to subscribe to the service for one month at time provided the trip is at the same time, origin and destination. Subscription riders tend to come from Zone 3 and do not have access to fixed route service. These riders tend to be higher income and are using the service to go to work in the Cool Springs study area. *Figure 10* shows the desire lines of workers in Franklin, based on daily Monday through Friday ridership. Most subscribed riders live in multi-family housing, and are journeying in a northeasterly direction. Only a few of the TODD subscribers live in the Cool Springs study area.

Table 5: Popular TODD Destinations in the Cool Springs Study Area

Location	Address
Goodwill/Kroger	1113 Murfreesboro Road
WMC Towers	4323 Carothers Pkwy
Physicians Plaza	100 Cover Drive
Vanderbilt Medical	210 Edward Curd Lane
Williams Med Imaging	4601 Carothers Pkwy
Heritage Medical	1909 Mallory Lane
Vanderbilt Walk In Clinic	919 Murfreesboro Road
Mercy Childrens	1113 Murfreesboro Road
DeVita Dialysis	1120 Lakeview Drive
Centennial High School	5050 Mallory Lane
Walmart	3600 Mallory Lane
Franklin Ortho	3310 Aspen Grove
Bone/ Joint Clinic	206 Bedford Way

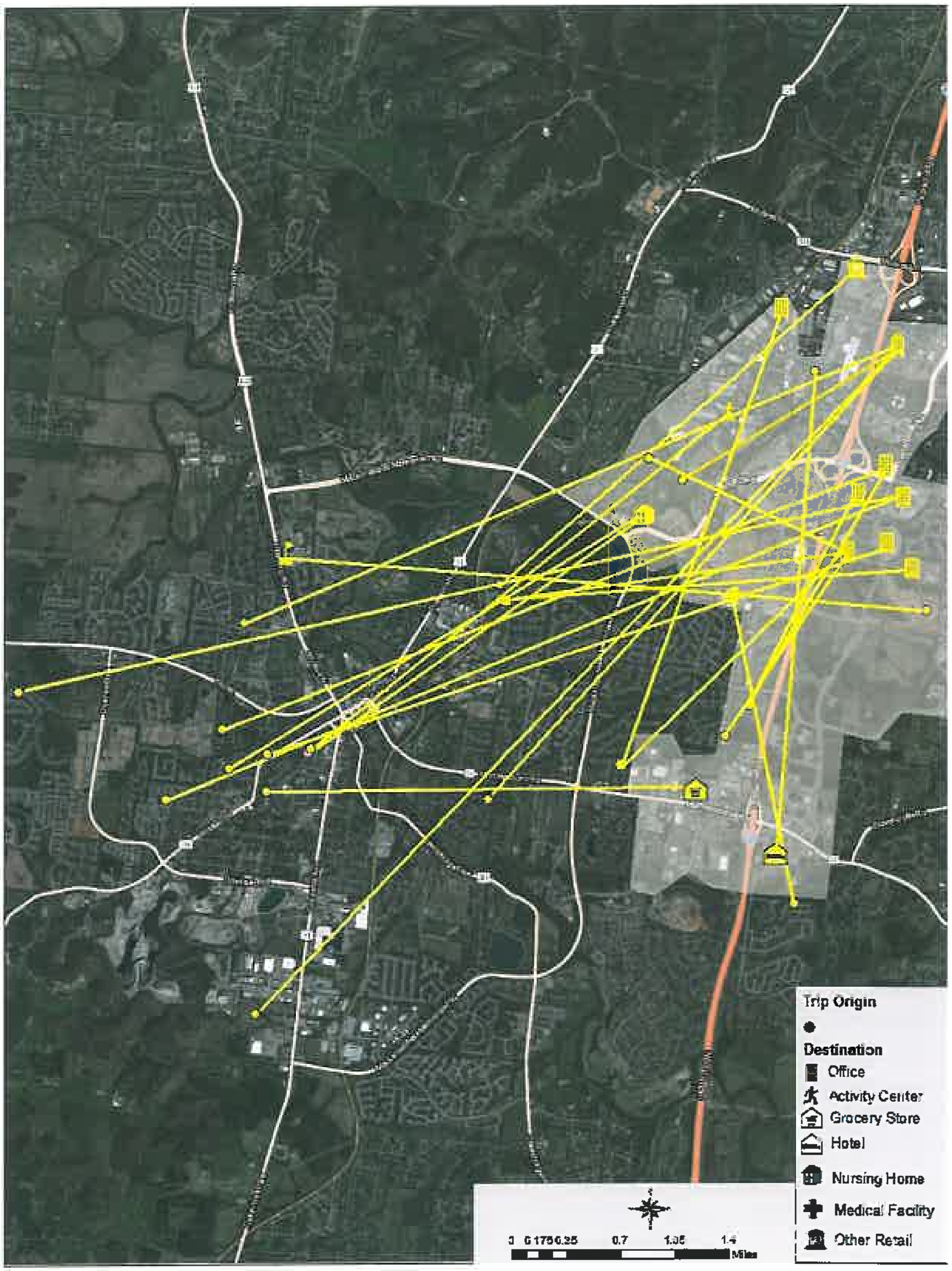


Figure 10: **TODD Subscribed Trips To and From the Cool Springs Study Area**

Regional Bus Service

The Regional Transportation Authority of Middle Tennessee (RTA) operates the Relax-n-Ride express bus service (Route 91X) between outlying cities and downtown Nashville *(see Figure 11)*. The RTA instituted Route 91X Franklin/Brentwood Express in December 2009 serving Franklin and nearby Brentwood with three inbound express trips in the morning and three outbound trips in the evening. There are different routing configurations depending on the trip, with some trips serving Vanderbilt University in Nashville first, and some serving downtown Nashville first. Morning service leaves the Franklin Park-n-Ride between 6:15 and 7:15 AM arriving in Nashville between 7:15 and 8:15 AM. In the evening, trips leave Nashville between 3:45 and 5:00 PM and arrive in Franklin between 5:00 and 6:15 PM. The Relax-n-Ride service only operates on weekdays

During a field visit, 42 vehicles were observed to be parked in the park-n-ride lot, with about 5 riders per trip being picked up by other people. In addition, one bike rider was observed. The majority of riders lived within the County (32) with the remaining riders from Maury County (1), Davidson County (1) [2], Shelby County (1) and Washington County (1) . No official park-n-ride lot has been constructed in Franklin for this service. The park-n-ride was formerly located at Williamson Square shopping center. RTA is now using a temporary site for the next several months which reflects an ever-changing park-n-ride lot location, an issue for this service. This service only serves workers commuting out of the study area, with no service to the study area during standard working hours.

[2] Likely riders from the latter two counties are recent transplants. Both counties are nearly 300 miles away from Franklin.

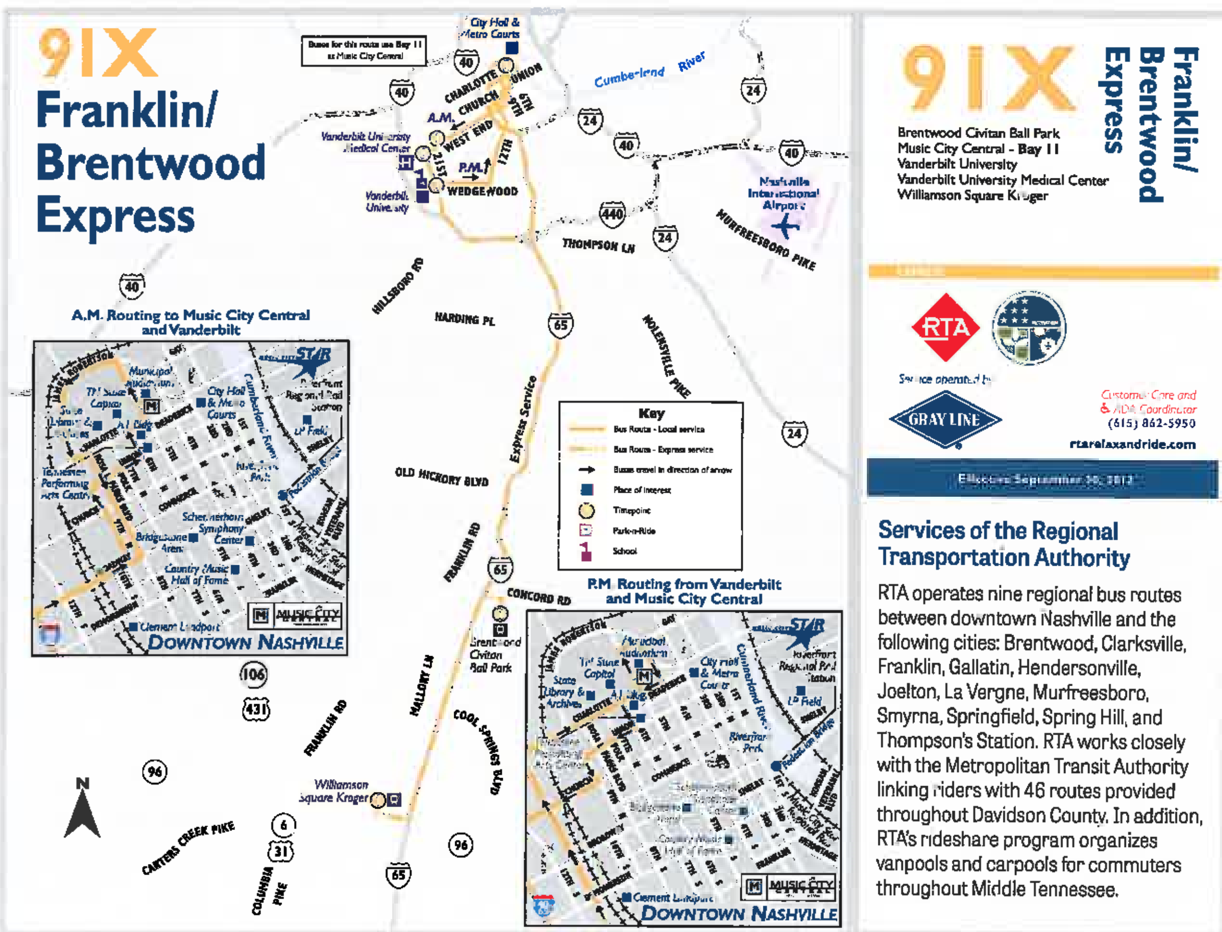


Figure 11: **Route 91X Service Map**

Vanpools

The TMA Group operates a regional vanpool program, under the brand vanstar*. The TMA Group contracts with Williamson County and the RTA to provide this service. The TMA Group provides the equipment, a 7, 12, and 15 person passenger van, insurance, maintenance, license and registration. One person becomes the primary coordinator; participants are qualified to drive the vehicle. The TMA Group also provides a matching service for riders who wish to form or join a vanpool, but do not have a group already formed.

Three vanpools have their destinations within the Cool Springs study area: Two end at the IRS office at 125 Market Exchange Court, and the other at the Ford Motor Credit Company at 9009 Carothers Pkwy. The origins of these vanpools are well outside the study area: Clarksville (64 miles away), Godlettsville (30 miles away) and Columbia and Spring Hill (20 to 30 miles away).

Other Public Transit Services

The Mid-Cumberland Human Resource Agency operates a public transit service in Cheatham, Houston, Dickson, Humphreys, Montgomery, Robertson, Rutherford, Stewart, Trousdale, Williamson, and Wilson counties. It is a rural transportation provider that uses a number of different types of vehicles to provide an on-demand service, with priority given to medical trips. There is a 24-hour notice of in-county trips, and a 72-hour notice for out of county trips.

Future Bus Service

The Nashville Area Metropolitan Planning Organization (MPO) has added to its 2014 Transportation Improvement Plan (TIP) a new express service that would stop in Spring Hill, the Cool Springs area of Franklin, and Brentwood on the way to Nashville. $1.1M is budgeted to implement this service. At this time, the days of operation and frequency of service are undetermined.

6. Pedestrian and Bike Connections

Pedestrian Access

The Cool Springs study area has an inconsistent network of sidewalks. Up until 2008, the City of Franklin did not require developers to build sidewalks when developing land so many residential and industrial streets in the Cool Springs study area lack this amenity. State roads, such as Murfreesboro Road (Tennessee Route 96) and Moores Lane (Tennessee Route 441) are not consistent in accommodating pedestrians. While sidewalks are present in some cases on these roadways, they tend to be in disjointed segments in front of certain properties and not others.

Sidewalks are present along the entire length of Liberty Pike, McEwen Drive, and Cool Springs Boulevard, including when these roads cross, or interchange with, I-65. Of the three major north-south roadways in the Cool Springs study area, Carothers Parkway and Mallory Lane have sidewalks along their entire length, even in areas where the adjacent land is undeveloped, although in some cases they only exist on one side of the street. The lengthiest sidewalk gap on arterials is on Royal Oaks Boulevard between Lakeview Drive and Liberty Pike. Crosswalks and pedestrian signalization are present at all signalized intersections in the Cool Springs study area.

Despite the presence of sidewalks on many of the area's arterials, most of the retail developments on the west side of I-65, and many of the corporate buildings lack connections to this arterial sidewalk network, forcing walkers to walk through parking lots or down driveways to access these uses. The City of Franklin has required intersecting sidewalks into new developments since the 2008 update to the Comprehensive Plan, so this should be remedied in future developments.

Bike Routes

On-street bike routes exist in the Cool Springs study area along McEwen Drive between Mallory Lane and Oxford Glen Drive, on Aspen Ridge Drive between Jordan Road and Cool Springs Blvd, and on Liberty Pike between Royal Oaks Boulevard and Turning Wheel Lane. A multiuse path has been constructed along Carothers Parkway from the Nissan Headquarters south to Quail Hollow Circle. There is another major off-street bike trail connecting the bike lane on McEwen Drive with the Corporate Center at Cool Springs. Minor trails include a short recreational trail along the north prong of Spencer Creek near Mallory Station Road.

Other major roads in the area are not conducive to on-street bicycling as they have four lanes, high speeds, and no shoulders. However, the City of Franklin allows bikes to be ridden on sidewalks, so this partially makes up for this deficiency. There is still a lack of connectivity to and from the area to the rest of Franklin, including the regional bike lane on Hillsboro Pike that links Franklin and Nashville. No bike routes traverse the City of Franklin.

In addition, wayfinding signage which directs bicyclists to places of interest is lacking, and the City does not require bike racks to be installed in existing businesses, except under certain conditions. Since the 2008 Comprehensive Plan update, if an existing business wants to expand their parking, they must install one bike parking spot for each 20 additional surface spaces and for every 20 existing spaces. This is the same formula for any new commercial development with more than 20 parking spaces. The bike parking must be within 100 feet of an entrance in both cases. New developments are required to install bicycle racks.

Source: http://randoboy.blogspot.com/

There has been an uptick in interest accommodating bike riders in the Cool Springs study area. Emery/Spectrum has developed several properties along Carothers Parkway, all of which include bike racks. All of their projects have showers on site, either in the on-site health club (currently), or to be installed in the bathrooms (future). The Cool Springs Galleria is in the process of installing a bike rack in response to demand from their workers, who currently lock their bikes to trees or bollards on-site.

The TMA Group has been awarded a contract to pursue a pilot program to introduce bike sharing to the City of Franklin. A grant application has been submitted to the Nashville Area MPO, and the City has offered City property for potential bike sharing sites. Some of these sites could be located in the Cool Springs study area, although the City does not own any land in the area.

7. Roadway and Parking Conditions

Roadway Network

The roadway network in the Cool Springs study area is a comprehensive association of Interstate highways, U.S. highways, state routes, county roads, and local roads that form a connected system. Generally the volumes, sizes, and density of the roadways are large and have high volume and capacity, due to the number of large retail, commercial, health care, education, industrial, and office land uses in the Cool Springs study area. TDOT Roadway Classifications in the Cool Springs study area are shown in *Figure 12*.

Interstate Routes

Highway I-65 runs north to south through the middle of the Cool Springs study area for a total of 4.71 miles. There are exits at Moores Lane (Tennessee Route 440), Cool Springs Boulevard, McEwen Drive, and Murfreesboro Road (Tennessee Route 96).

Arterial Roadways

Arterial roadways are major highways or streets that function within the network to connect longer-distance travel between municipalities or other activity centers. The principal arterial roadway in the Cool Springs study area is Murfreesboro Road, with Cool Springs Boulevard, Moores Lane, and a portion of Carothers Parkway near the Williamson Medical Center designated as minor arterials. These arterials are four lanes wide, and all except Murfreesboro Road have landscaped medians, providing a boulevard-like driving experience.

Collector Roadways

Collector roadways are secondary roads that provide access from arterials to residential and commercial areas and local roads. Within the Cool Springs study area, Mallory Lane; Carothers Parkway between Cool Springs Boulevard and Moores Lane; and Liberty Pike are all considered Urban Collector roadways. These collector roadways provide infill for the arterial roadways for more municipal to municipal or locality to locality travel. As many commercial areas in the Cool Springs study area are served by collector roads, they serve as primary corridors for destinations within the Cool Springs study area. All collector roadways in the Cool Springs study area are four lanes wide.

Local Roadways

Local roadways, both urban and non-urban, are the basic residential streets and township roads that serve to connect to people's homes. Most are under the jurisdiction of the local municipality or township; however a few are county routes. All are two lane roads that provide a lower speed and scale suitable for higher pedestrian and bicycle activity. However, there is poor connectivity between these types of streets in the Cool Springs study area with many residential land uses, especially multi-unit buildings and planned-unit developments, located on street networks with only one outlet onto a major roadway, and no connectivity to local roadways outside the development. At present, the City of Franklin does not require these developments to connect to future adjacent developments, so it is expected that this trend will continue.

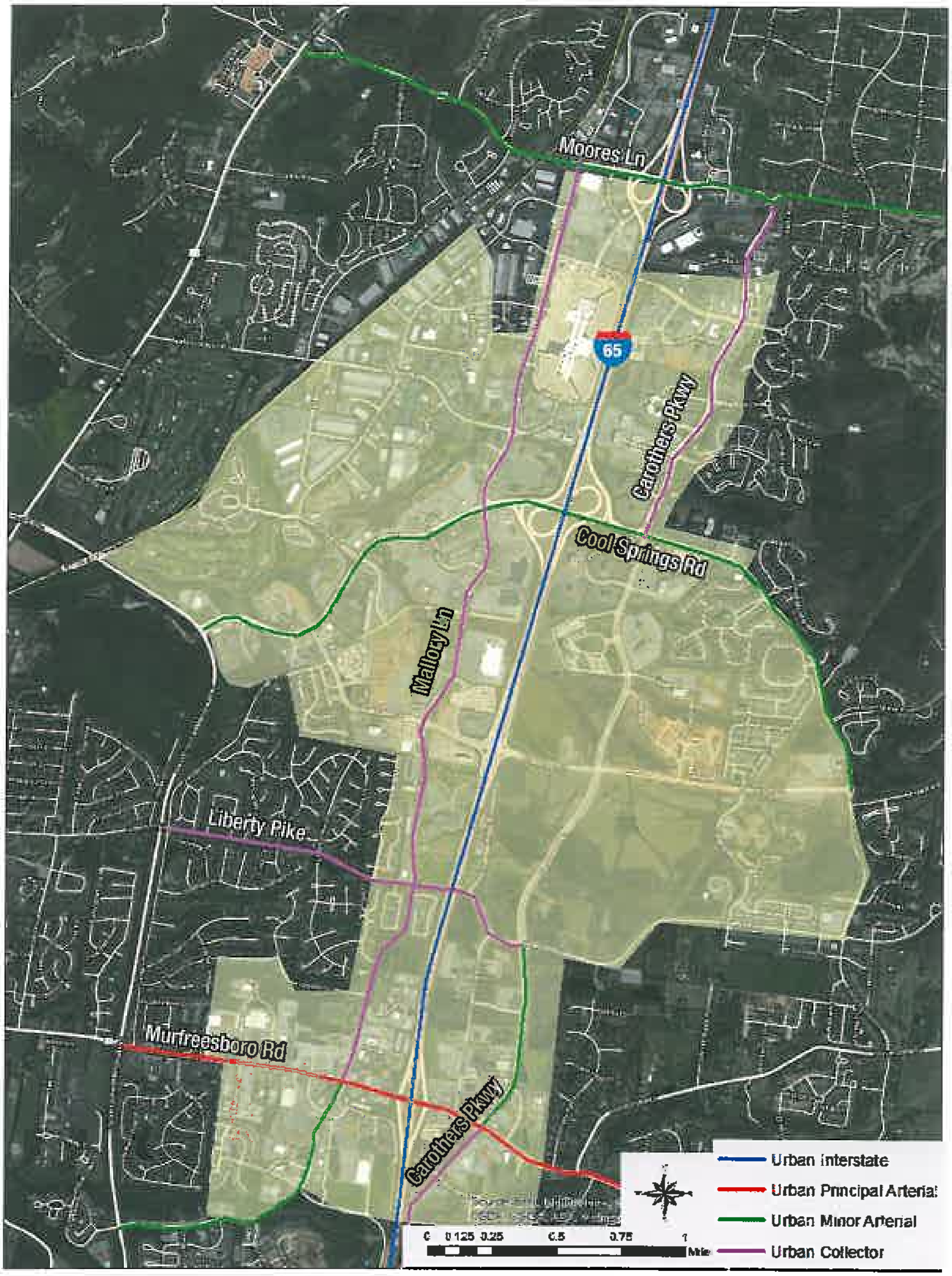


Figure 12: **TDOT Roadway Classifications in the Cool Springs Study Area**

Traffic Volumes

Traffic volumes in the Cool Springs study area generally increase the closer the roadway is to Nashville, with the greatest volumes occurring on Moores Lane as it approaches I-65. Average Annual Daily Traffic (AADT) on roadways in the southern portion of the study area are currently two-thirds what they are in the northern portion *(see Figure 13 and Table 6)*.

Table 6: AADT Counts: Non-Intersection*

Roadway	Nearest Cross Street	AADT
Moores Lane	Westgate Circle	32,866
Cool Springs Boulevard	Frazier Drive	26,479
Carothers Parkway	International Lane	24,258
Mallory Lane	Frazier Drive	20,790
Mallory Lane	Mallory Station Road	20,488
Royal Oaks Boulevard	Holiday Court	17,665
Liberty Pike	Liberty Hills Drive	15,130
Mallory Station Rd	General George Patton Drive	11,727
Carothers Parkway	Covey Drive	11,317
Carothers Parkway	Carrington Hills Drive	5,988

*Source: TDOT, 2013

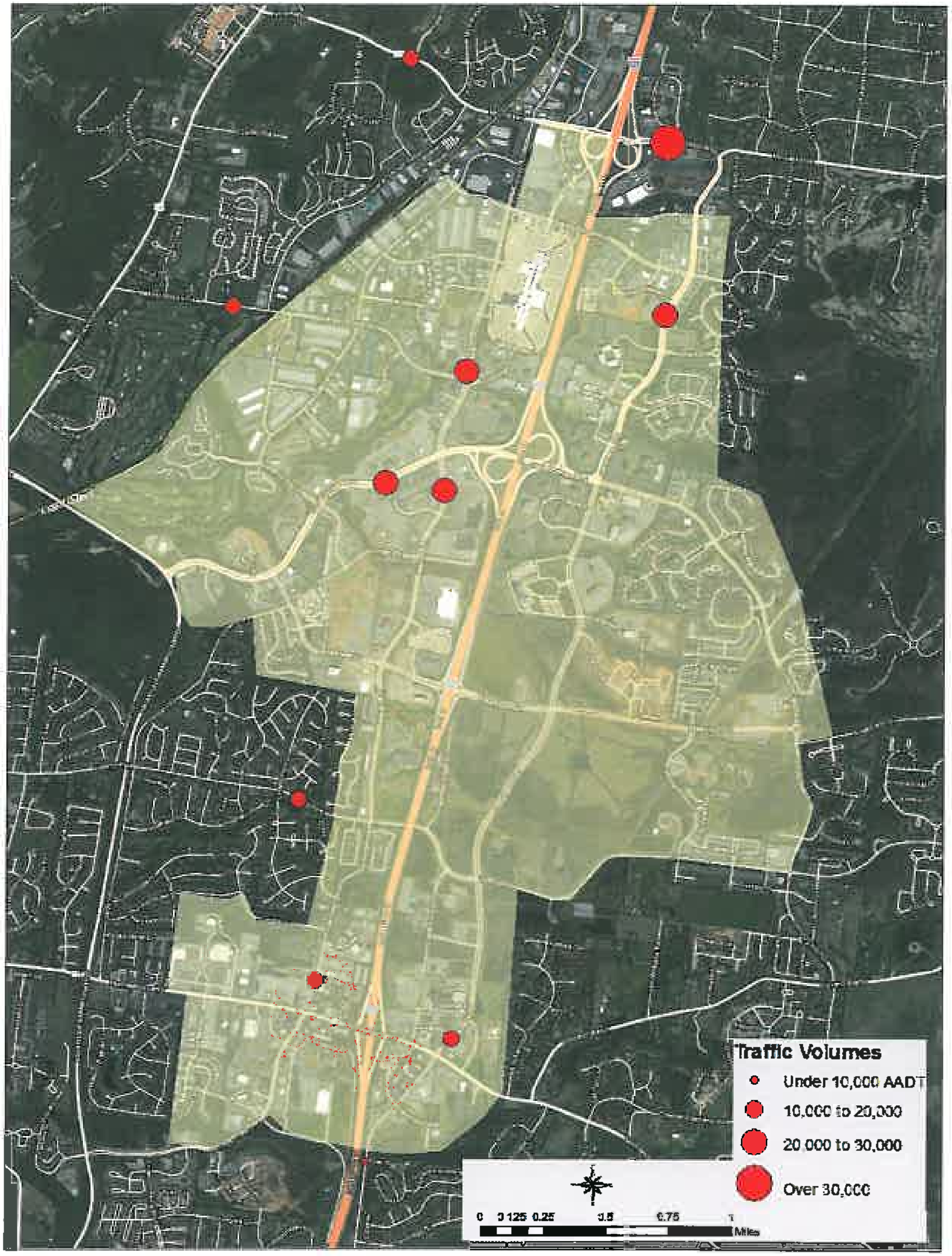


Figure 13: **2013 Non-Intersection Traffic Volumes in the Cool Springs Study Area**

More detailed intersection traffic counts were recently performed by the City of Franklin. Traffic volumes are generally four times as high at intersections in the study area in the PM peak as compared to the AM peak. Despite the growth along Carothers Boulevard, the highest traffic volumes are still found near the Cool Springs Galleria on Mallory Lane *(see Table 7)*.

Table 7: Franklin, TN 2013 Traffic Counts: Intersection*

Intersection		Time of Day		
Primary Road	Intersecting Road	6:00-9:00 AM Peak	11:00-1:00 Lunchtime	3:00-6:00 PM Peak
Bakers Bridge	Market Exchange	1,695	1,860	1,944
Carothers	Corporate Center	1,474	3,100	5,816
Carothers	Gillespie	1,405	5,994	5,930
Carothers	Mayfield	665	1,820	2,885
Cool Springs	Aspen Grove	397	1,420	1,605
Cool Springs	Carothers	1,094	3,631	4,978
Cool Springs	Frazier	415	1,461	2,157
Cool Springs	Highwoods	1,036	2,174	3,695
Cool Springs	I-65 NB	322	777	1,174
Cool Springs	Mallory	959	4,228	6,166
Galleria	Cool Springs Crossing	248	1,749	3,265
Liberty	Carothers	588	1,123	1,717
Mallory	Bakers Bridge	145	1,259	2,346
Mallory	Mallory Station	220	1,555	2,478
Mallory	Nichol Mill	707	5,865	10,117
Mallory	Spring Creek	801	4,311	6,718
McEwen	I-65 (All Directions)	1,079	1,912	3,060
McEwen	Mallory	957	3,216	8,451
McEwen	Spring Creek	964	2,445	3,896
TOTAL		**15,171**	**49,900**	**78,398**

*Source: Traffic Counts taken August 17, 2014 by the City of Franklin

Locations Generating Intermittent High Traffic Volumes

Four uses in the Cool Springs study area have the potential to draw much more traffic to the area when they hold events than the area typically sees.

1. ***A-Game Sports***, located in two facilities near the intersection of Seaboard Lane and Mallory Station Road, holds regular children's sporting events at around 6 PM on weekday evenings and on weekends hosts basketball tournaments and a Tier 3 junior league hockey team, the Nashville Jr. Predators.

2. ***D-1*** is an athletic training facility located on South Springs Drive just south of the Cool Springs Galleria that provides athletic training facilities to all ages. Combine training for future NFL draft prospects, which attracts many former college stars, is the major draw here in the spring.

3. ***The Cool Springs Conference Center***, attached to the Franklin Marriott Cool Springs at 700 Cool Springs Blvd, can accommodate up to 1,100 people for meetings and conferences.

4. ***The Cool Springs Galleria and adjoining retail*** attracts enough shoppers between Thanksgiving and Christmas that signals to the area are retimed on surrounding streets to meet the increased demand and Mallory Lane can experience gridlock during the holiday season.

Future Roadway Improvements

The roadway system in the Cool Springs study area has generally been built out. The City of Franklin's policy has been to build ahead of growth, rather than react to it. However, there are many projects just beyond the study area that will have a great influence on future traffic patterns within the area.

- The Nashville Area Transportation Planning Organization (MPO) has included the extension of the Intelligent Transportation System (ITS) in Franklin as part of its 2014-2017 Transportation Plan. The extension would add ITS capabilities within the Cool Springs study area. The goal is to evaluate, recommend, and oversee the installation of Adaptive Transit Signal Control at 40 intersections in the Cool Springs study area for implementation in 2014.

- Under construction presently just beyond the Cool Springs study area limits is the rebuilding of the roundabout at Oxford Springs and McEwen Drives. The new roundabout is expected to accommodate the increased traffic on the McEwen Drive temporary connector between Oxford Springs Drive and Wilson Pike, and the future extension of McEwen Drive east from Wilson Pike.

- Also under construction is the extension of Carothers Parkway south to Long Lane.

- In the Williamson County Major Transportation Plan Update, Murfreesboro Road (Tennessee Route 96) is slated to be widened to three lanes just east of the Cool Springs study area, from the Franklin City Limit to the proposed Temple Road extension.

- Liberty Pike is proposed to be extended east of the Cool Springs study area from the current terminus at Waverly Place to Wilson Pike (Tennessee Route 232). The extended roadway would be two or three lanes.

- The City of Franklin is presently extending sidewalks all the way from I-65 to downtown along Murfreesboro Road.

- A new stoplight is being added on Carothers just north of McEwen Drive.

- The intersection of McEwen Drive and Carothers Parkway is being rebuilt and widened in anticipation of future development at that corner.

- Franklin Major Thoroughfare Plan (MTP) projects in the study area are shown in *Table 8*.

Table 8: Franklin Major Thoroughfare Plan (MTP) projects

Roadway	From	To	Project Description	Horizon Year
McEwen Dr	Carothers Pkwy	Cool Springs Blvd	Widen from 2 to 4 lanes	2015
Cool Springs Blvd	Mack Hatcher Pkwy	Carothers Pkwy	Widen from 2 to 4 lanes	2015
Liberty Pike	Franklin Rd	Carothers Pkwy	Widen from 2 to 4 lanes	2025
Murfreesboro Rd	Mack Hatcher Pkwy	Royal Oaks Blvd	Widen from 5 to 7 Lanes	2025
Carothers Pkwy	Cool Springs Blvd	Mayfield Dr	Widen from 4 to 6 lanes	2025
Mallory Station Rd	Seaboard Ln	Franklin Rd	Widen from 3 to 4 lanes	2025
Royal Oaks Blvd	Liberty Pike	Lakeview Drive	Widen from 2 to 4 lanes	2025
Mallory Ln	Liberty Pike	Moores Ln	Widen from 4 to 6 lanes	2025
Seaboard Ln	Mallory Station Rd	Crossroads Blvd	Widen from 3 to 4 lanes	2035

Parking

Until the 2008 Land Use Plan, 5 spaces were required for 1,000 square feet of office space. This was reduced by 20% to 4 spaces per 1,000 square feet in the new Plan. The City of Franklin also has a maximum standard for parking—no more than 120% of the minimum parking spaces are allowed. See *Table 9* for more specific parking requirements.

Table 9: Parking Requirements for Selected Uses in the Cool Springs Study Area

Use Type	Min # Spaces	Additional Requirements
Retail and/or Commercial Use	3.33 for up to 300,000 sq ft;	
	2.67 for more than 300,000 sq ft. (per 1,000 sq ft.)	
Hotel		1 per guest room
		1 per employee on largest shift
		0.25 of max occupant load in assembly areas
Heavy and Light Industrial:		
1-3,000 sq ft	1 Per every 250 sq ft.	
3,001-5,000 sq ft	1 Per every 500 sq ft.	
5,001-10,000 sq ft	1 Per every 750 sq ft.	
Over 10,000 sq ft	1 Per every 1,250 sq ft.	
Office Use	4 Per 1,000 sq ft	
Attached Dwelling		0-1 bedroom 1.50
		2 bedroom 2.50
		3 or more bedrooms 3.00
Detached Dwelling		2 per unit
Medical Office		Reviewed on a case by case basis

The amount of parking utilized in the study area was observed to be approximately 80% utilized for many of the office buildings, leaving room for visitor and additional employee parking. Since the office vacancy rate is just 3%, it is unlikely that 100% of the spaces would be used when the buildings are fully occupied.

8. APPENDIX

Stakeholder Interviews

The following people were interviewed and provided some of the information that went into this report.

Rogers Anderson, *Williamson County Mayor*
Patrick Emery, *President, Spectrum Properties; Chairman, TMA Group*
Abby Gambrill, *TOC Operator, City of Franklin Engineering Department*
Stanton Higgs, *Business Development and Operations Director, TMA Group*
Emily Hunter, AICP, *Planning Supervisor, Franklin, TN*
Matt Largen, *President and CEO, Williamson, Inc.*
David Meadows, SCSM, *General Manager, Cool Springs Galleria and Cool Springs Crossing*
Dr. Ken Moore, *Mayor, Franklin, TN*
Jeremiah Pryon, *Vice President of Economic Development, Williamson, Inc.*
Michael Skipper AICP, *Executive Director, Nashville Area MPO*
Ralph Walker, *Director, Columbia State College*

These additional observations were supplied by the stakeholders:

Attraction of Cool Springs

- People and companies are locating in Cool Springs because of the quality of life in Franklin and Williamson County, including good schools, low taxes, open space, historic sites, and an educated workforce.
- Companies are also moving to Cool Springs because of a sense of inertia: Much of the quality of life stems from the fact that Franklin, TN and Williamson County are already affluent areas. CEOs of companies like to live near their offices also, and part of the school success is that the types of students they attract generally have educational success.
- In 1986, it was decided that a good education system would be the foundation for Williamson County's growth. All the school facilities have been built since the early 1980s.
- Development incentives are not given out to businesses wishing to locate in the County.

Transportation: Transit

- Ideas for transit include additional express service to/from the Cool Springs area, a circulator within the office complexes, an east-west connection between retail and office uses across I-65, a light rail or commuter rail line along the old Louisville and Nashville tracks through town, electric "branded" buses on any new routes within the I-65 corridor, and a regional express network with a hub in Cool Springs.
- A lunchtime shuttle for employees was cited as something that would attract a lot of riders, and ease congestion. A dissenting opinion suggests that for big office complexes, the cafeterias there are so good, that workers would not venture out to a fast food-type restaurant.
- Many stakeholders encouraged big thinking on the subject of transit.

- The existing fixed route service does not serve the Cool Springs area particularly well, and the TODD service tends to compete with the fixed route service, rather than complement it.
- The fixed route system was revised in 2007, which was when the TODD service was added.
- Initially, it was thought that tourists would make up a significant part of the transit customer base, but that hasn't panned out.
- Franklin should be able to have at least 80 vanpools either originating or ending in the City, which should be achievable with better promotion.
- Denver is a good model for Nashville to follow when it comes to a regional transit plan.
- Buses should have wi-fi on them.

Transportation: Auto

- Without lane and stoplight treatments in the area, congestion will not be eased. And without some kind of multimodal plan, the Cool Springs area development will not be sustainable in the long run—at least, with the quality of life that attracted the companies there in the first place.
- AADT is almost equal to/from Cool Springs during rush hour along I-65 (25,000 vehicles south, 27,000 north).
- There are big delays at Centennial High School during dismissal because the school employs crossing guards, rather than police, to direct/stop traffic on Mallory Lane.
- Mallory Lane should be expanded.
- The HOV lanes are not enforced on I-65 like they should be.
- Intersections are built to "Level of Service (LOS) C", but they act like "LOS E" at certain times of the day. There will be no innovation until the congestion gets so bad the intersections operate like "LOS F"

Transportation: Bike and Pedestrian

- Bike sharing, and bike riding, should be explored as an alternative mode of transit in the area.
- TDOT has been cooperative on bike and pedestrian improvements along Murfreesboro Road.
- If bike lanes were to be installed to access the Galleria, South Springs Drive would be superior to Bakers Bridge Avenue.
- Not many students walk to the high school.
- Pedestrian links are designed for exercise, rather than commuting (this may be a result of the large number of health-related industries in Cool Springs)

Development

- Many new developments along Carothers are incorporating sustainability into their design, as many have, or will have, LEED certification.
- Carothers Parkway and McEwen Drive is the big growth area in Cool Springs. This intersection will experience continued pressure from automobiles. The roads and intersections are already being expanded, even though they were just expanded a few years ago.
- The catalysts for Cool Springs development were the Galleria, the Saturn plant built in nearby Spring Hill, and the Main Street revitalization plan in downtown Franklin in the early 1990s.
- The Factory, the transfer point for the Franklin fixed route bus system, is under new ownership, and is envisioned as an upscale entertainment complex. It is not in competition with the Cool Springs area.
- Almost all of the growth in Franklin, TN, and Williamson County as a whole, has been within each city's urban growth boundary.
- Subdivisions are not required to link with adjacent subdivisions—the same holds true with retail and office uses. There is thought to be security concern if office planned developments link together.
- The City owns no land in the Cool Springs area.
- The Galleria is redeveloping the old Sears site with an American Girl Place and a Cheesecake Factory.
- Traffic signals in the retail heavy section of Cool Springs vary by time of day; eventually, they will be able to be controlled directly by the City (Adaptive Traffic Signalization).
- Some suspicion that mixed-use with the parking in back will not work (the development across from the Factory was cited).
- There is a maximum height of 10 stories in Cool Springs.
- Developers are required to pay an impact fee for transportation (i.e. roadways) upgrades. There is no impact fee that supports transit.
- Live-work developments are becoming more popular in the Cool Springs area.

Workforce Residence

- Many office workers in Cool Springs live in Nashville, particularly in the West End, the Gulch, and East Nashville.
- Retail workers, and lower level workers, come from the Antioch area of Nashville, and Spring Hill. Stakeholders are not aware of employers having difficulty attracting workers because of transportation issues getting to work. Some retail workers live in the apartments on Royal Oak Boulevard between Liberty Pike and Murfreesboro Road. Some walk or bike to work, and some use transit.
- Cool Springs and Franklin are too pricey for many office workers to live in. They need to commute from elsewhere, sometimes from great distances.

Cool Springs Multimodal Transportation Study

City of Franklin

Board of Mayor and Aldermen

August 25, 2015

The Need
Support Economic Development

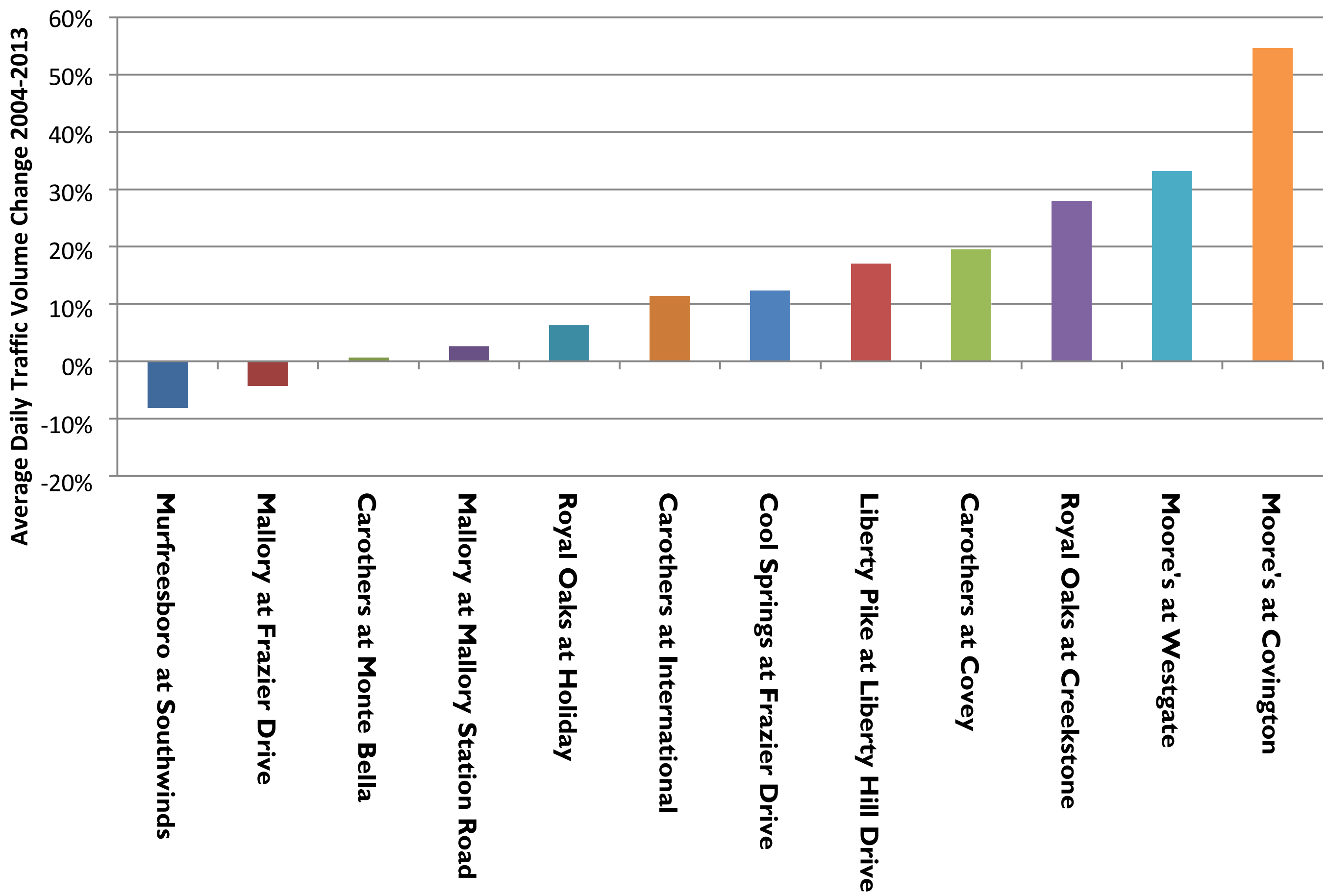
3 Interstate Interchanges

Corporate Headquarters
CHS (4,300)
Williamson Medical Center (1,440)
Healthways (1,160)
Nissan (1,600)
VerizonWireless (1,300)

Business Parks, Hotels, Retail Centers, Restaurants

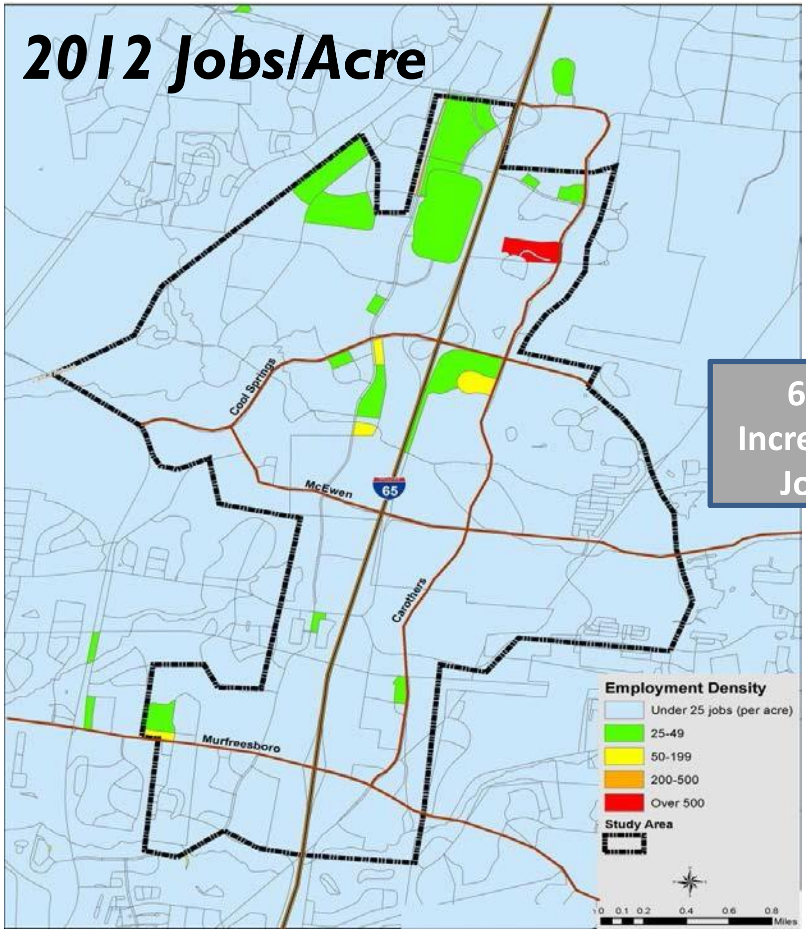
Single and Multi-Family Housing

The Need
Reduce Roadway Congestion

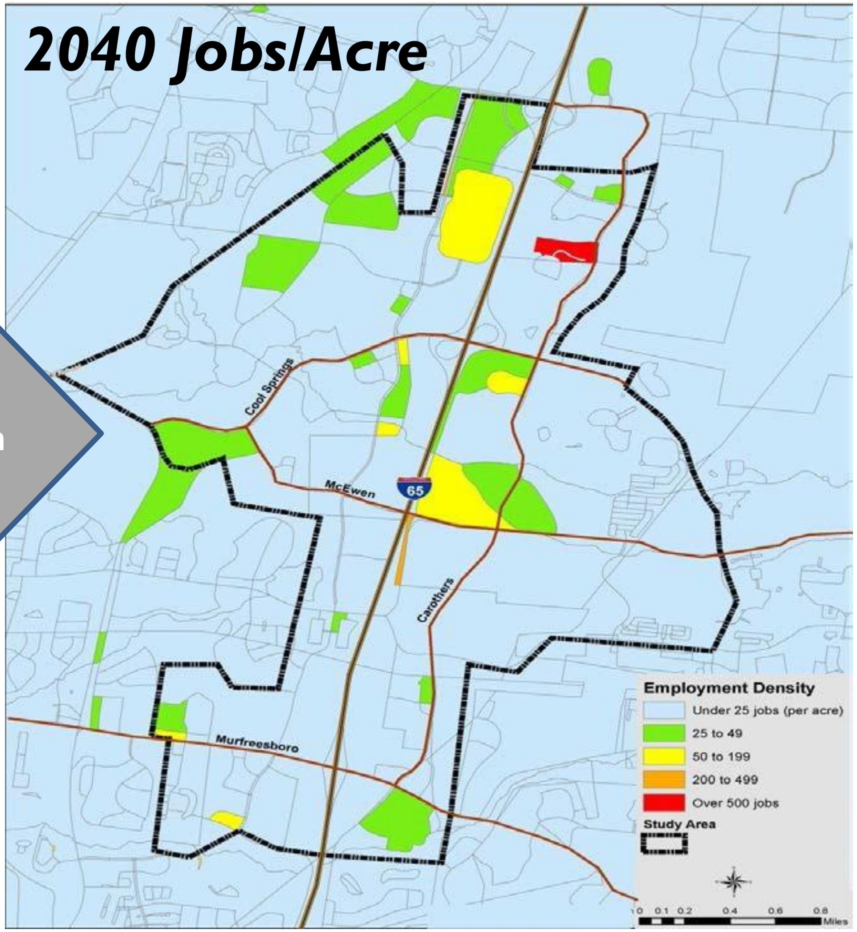


Between 2004 and 2013, Cool Springs average daily traffic increased 13%. Traffic east of I-65 increased 26%!

The Need
Provide Increased Mobility Options



69%
Increase in
Jobs!



36,000 Jobs in Study Area

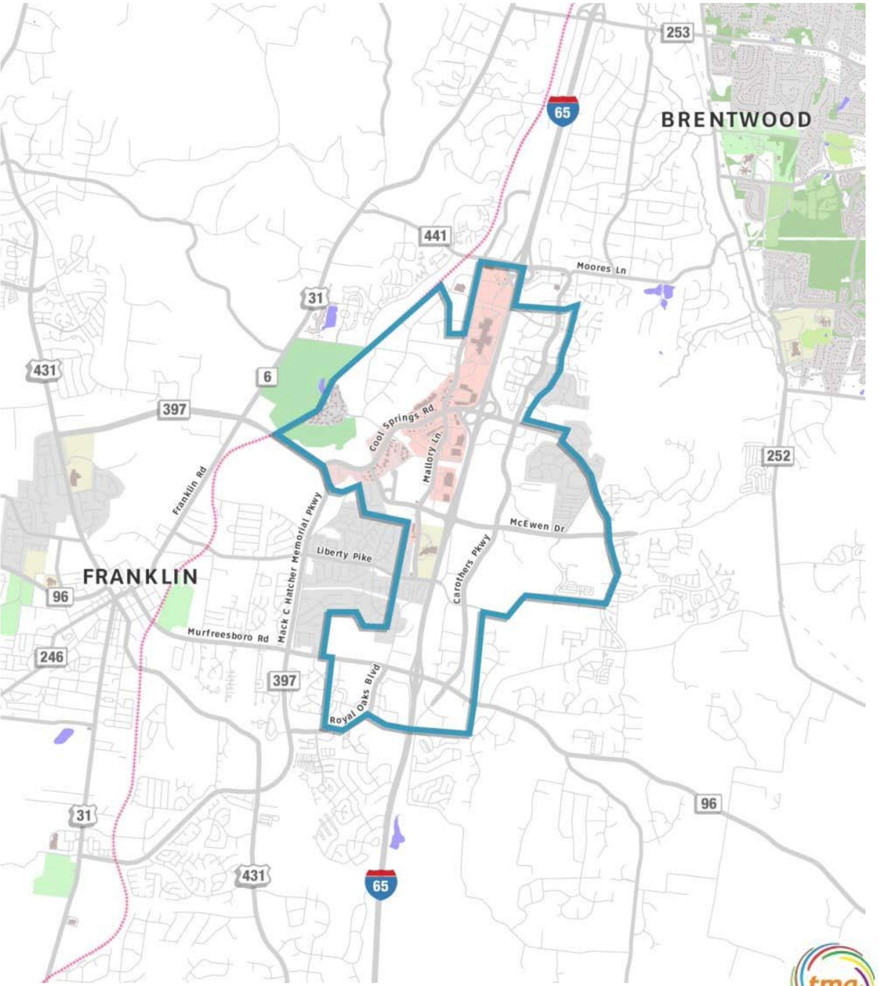
61,000 Jobs in Study Area

The Need
Protect Franklin's Quality of Life

How Do We Manage the Congestion that Comes with Economic Growth?

Create a Multimodal Solution

- Transit Solutions
  - New local bus routes
  - Regional connectivity
  - New express/commuter bus routes
  - ITS /smart technology solutions
  - Longer term - rail (LRT) connections
- Multimodal Solutions
  - Ridematching for carpoolers
  - VanStar vanpools
  - Carshare
  - Bikeshare ,bike lanes,pedestrian access
  - Park n' ride lots



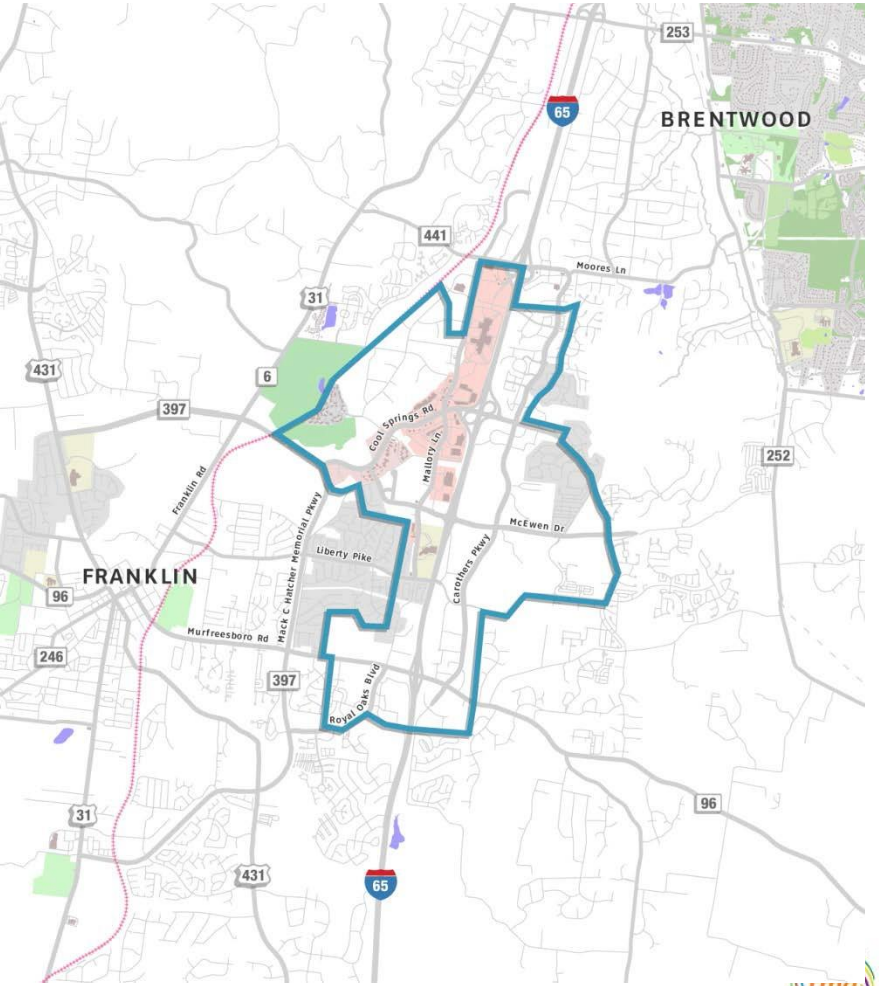
How Do We Manage the Congestion that Comes with Economic Growth?

Employer Partnerships

- Telecommute – work from home
- Flexible work schedules
- Transit Benefits/Incentives
- Corporate sponsored and prime parking for vanpools and carpools
- Commuter tax benefits

Best Practices

- Commute Trip Reduction Ordinances
- Traffic Calming



Short Term Transit Solutions in Cool Springs

Local Transit Options

- New routes in Cool Springs corridor
- Late night service
- 30 Minute peak service on most local routes
- Sponsored free service on routes serving Carothers Parkway (11 a.m.– 1 p.m.) with 15 minute frequencies
- Improved bike and pedestrian connectivity
- Emergency Ride Home program expanded to Franklin Transit and bike commuters

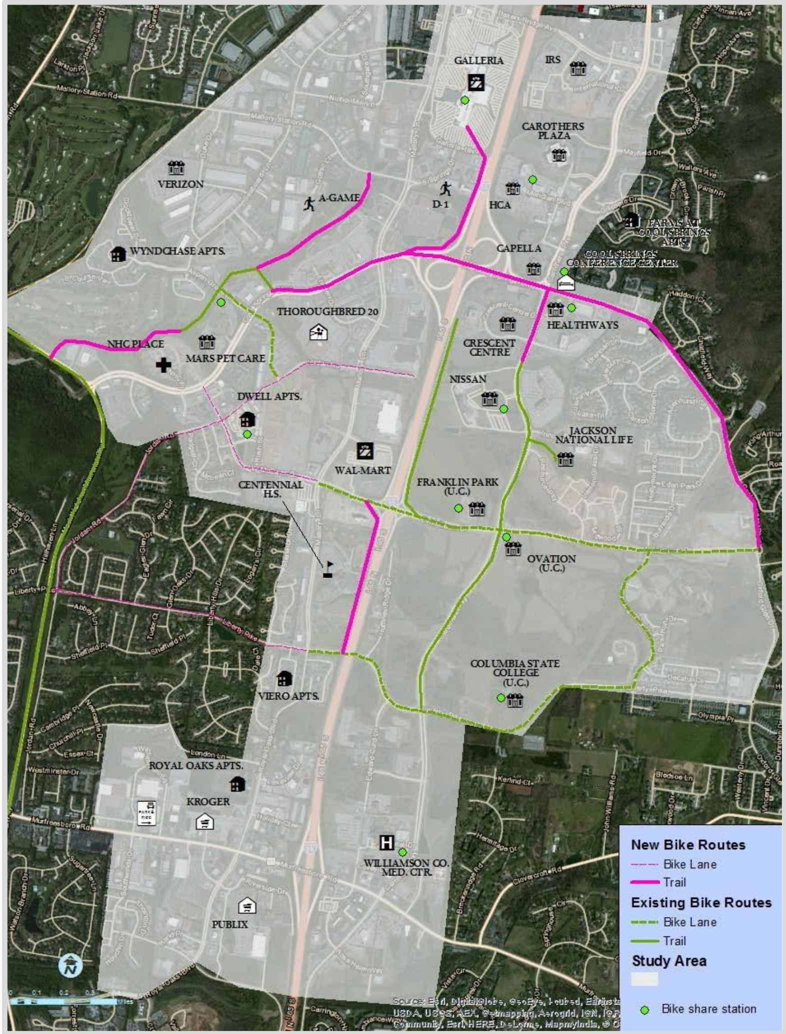
tma

Short Term Transit Vehicle and Infrastructure Recommendations

Key Points

- A new "brand" and 30-foot local buses serving the Cool Springs area
- ADA accessible bus stops at key locations to include concrete pad, bench, and trash receptacles
- Shelters at Wal-Mart, Mallory Lane and Liberty Pike, and Williamson Medical Center
- Park and ride locations with directional signage

Short Term
Bike Network



Short Term
Pedestrian Recommendations

Pedestrian Infrastructure

- Sidewalks through parking lots to connect with arterial roadways
- Extension of walk signal length
- Restricted right turn on red
- Signalization at Centennial High School and Mallory Lane
- Wayfinding signs to sidewalks and paths

Short Term Transportation Demand Management

Employers

Implement best practices for changing employee transportation behaviors

- Flexible work times and telecommuting
- Corporate sponsored carpool and vanpool programs
- Well publicized award systems rewarding employee mode shift to ridesharing, transit and biking
- Commuter Tax Benefit promotion
- "Best Work Places for Commuters" program

Short Term
Transit Enhancement Recommendations

Technology and Promotion

- Real time bus information for riders
- MobileApp technology
- Improved and simplified route identification

Short Term
Carsharing in Cool Springs

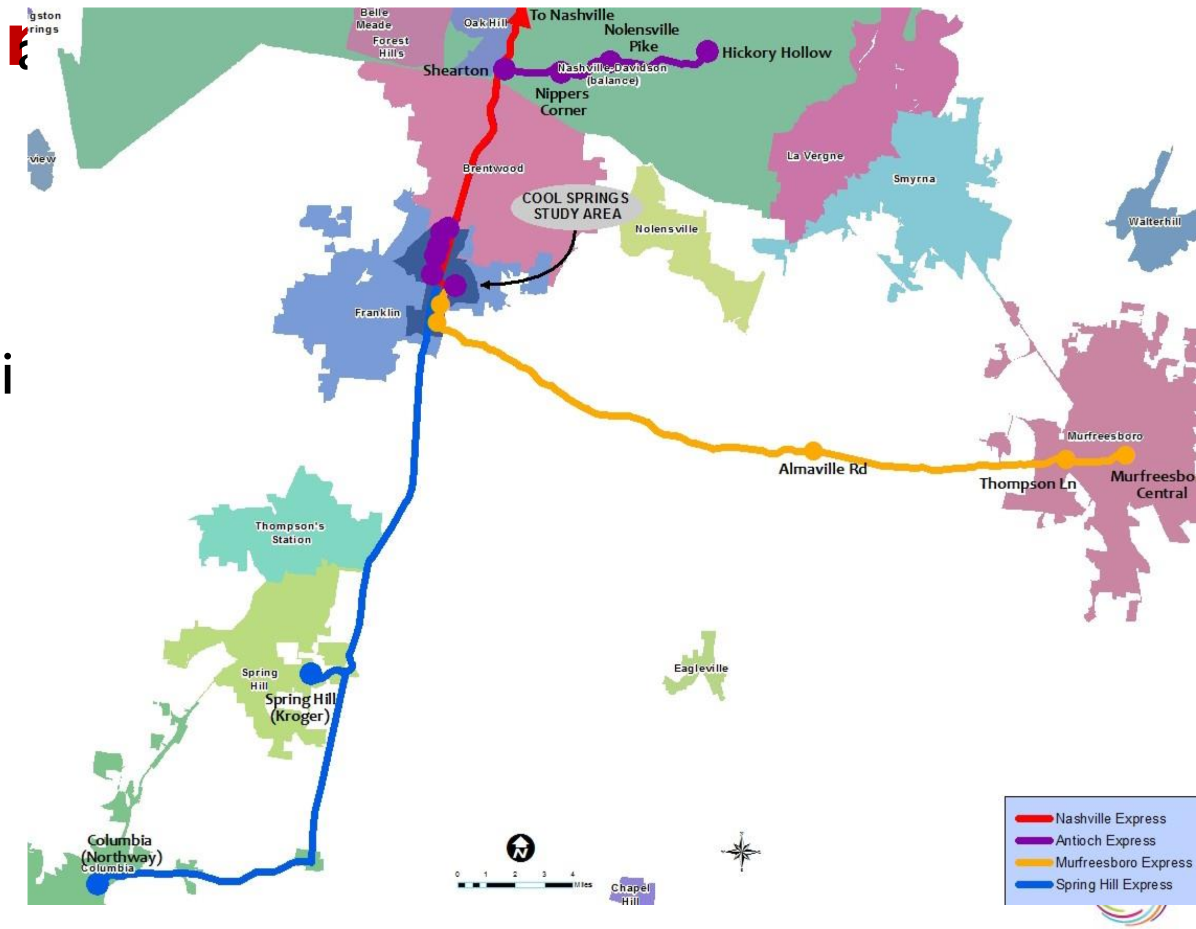
Gives transit and rideshare commuters the ability to go where they want to go when they want to go

A two-seater sharecar now available in Europe

Medium Term
Regional

Points of Origi

- Murfreesboro
- Antioch
- Spring Hill/Columbi
- Nashville



Medium Term
Cool Springs Proposed Transit Center
(In the vicinity of Carothers Parkway and McEwen Drive)

Potential Amenities

- Staffed ticket and information desk
- Real time multimodal information on arrivals and departures
- Bathrooms
- Retail services, Café

Transportation Connections

- Local, express, and intercity bus bays
- Bikeshare station
- Carshare parking
- Park and Ride location
- Vanpool and carpool pickup/drop off points

Additional Recommendations

Transit

- Transit Signal Priority for buses along Mallory and Carothers
- Improved bus stop signage
- Real time bus arrival and departure displays
- I-65 HOV lane restriction hours expansion
- Shoulder use for commute express bus on Interstate

Bicycle

- Bike racks at bus stops
- Bike racks in business centers
- Bikesharing program expansion

Pedestrian

- Residential sidewalk construction
- Prioritize projects benefiting children and transit access

Long Term

High Capacity Transit

- Following CSX rail alignment or I-65

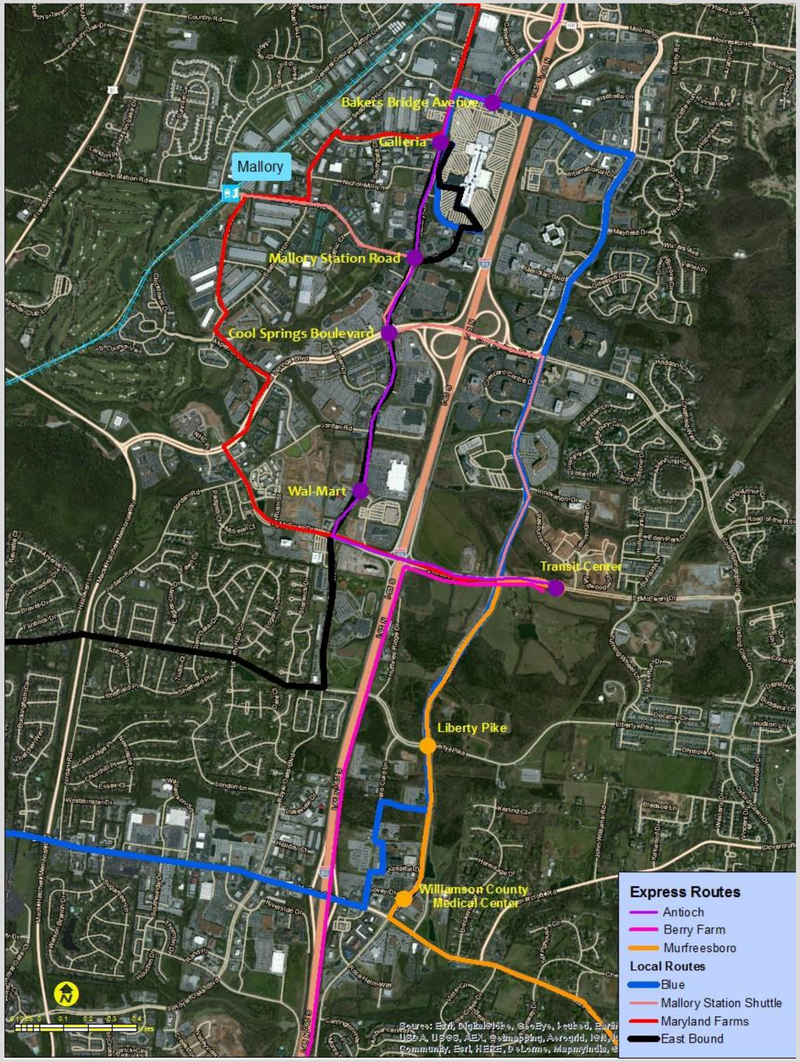
Additional Connections

- Transit Center to Maryland Farms
- Carothers Parkway to a light rail station

Additional Express Service

- Conversion of peak only service to all day service
- Additional route to Berry Farm

On-going transit, pedestrian, bike friendly street design

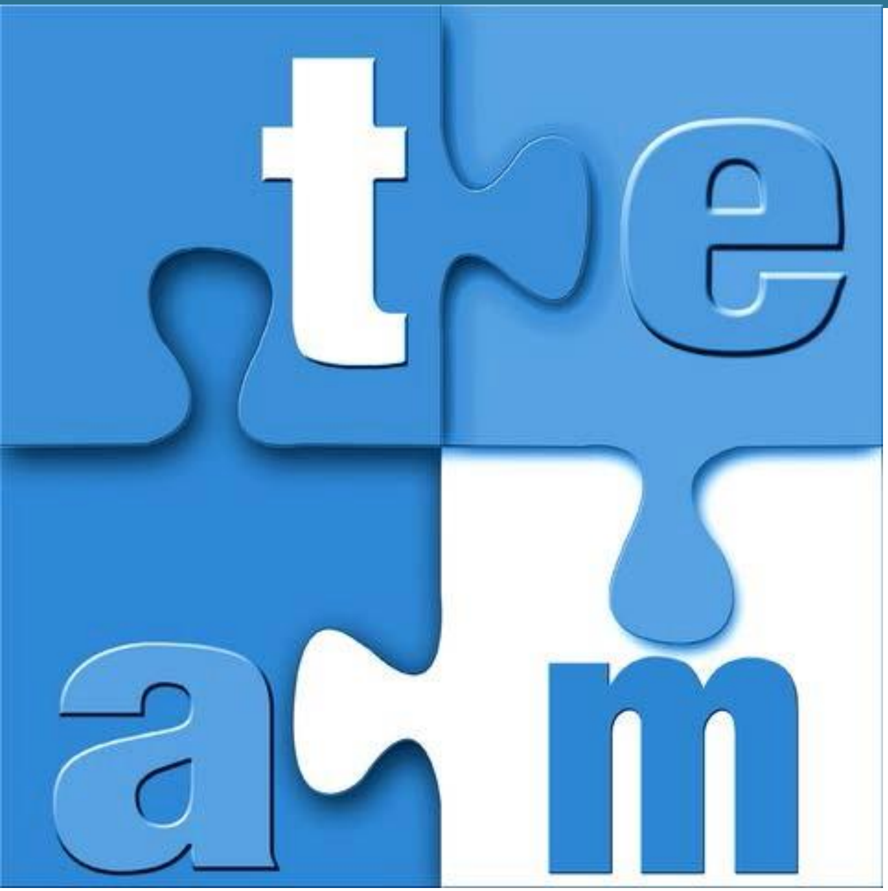


Costs and Funding

Transit Funding Options

- ➢ Dedicated Funding Solutions
- ➢ Public Private Partnerships

The Funding Puzzle



$$ Federal

State $$

$$$Local

$$$$New

Transit Funds

For every commuting obstacle, there's a brighter dream of better mobility

Can You See It?

Cool Springs Multimodal Transportation Study

Gina Trimarco, Project Manager

www.transystems.com

And

The TMA Group

www.tmagroup.org

Funding provided by the Federal Transit Administration, State of Tennessee, and City of Franklin

ADMINISTRATION

HISTORIC
FRANKLIN
TENNESSEE

Dr. Ken Moore
Mayor

Eric S. Stuckey
City Administrator

RETAILER'S CERTIFICATE
(Renewal)

Pursuant to T.C.A. §57-3-208, the City of Franklin hereby certifies the following facts concerning application in the name of JDC Wines and Spirits, LLC d/b/a Franklin Wine and Spirits, owned by the managing agent, James D. Clark, who has made application for a retailer's license to handle alcoholic beverages at 1400 Liberty Pike, Suite 300, Franklin, TN 37067 (Franklin Wine and Spirits), which is within the corporate limits of the City of Franklin, Williamson County, Tennessee:

1. The owner(s) who are to be in actual charge of the business have not been convicted of any violation of the laws against possession, sale, manufacture, or transportation of beer or other alcoholic beverages, or of any felony, or of any crime involving moral turpitude, within the past ten (10) years immediately preceding the date of application, and shall not violate any of the provisions of Tennessee Code Annotated, Title 57, Chapter 3;

2. The applicant(s) has secured a location for the business which complies with all restrictions of local law, ordinances, or resolutions, duly adopted by the local authorities as to location.

3. The applicant (by and through one or more of its owners) meets all residency requirements established by local authority under Franklin Municipal Code Section 2-108A.

4. The applicant has complied with local laws, ordinances, and resolutions duly adopted by the local authority regulating the number of retail licenses to be issued within the jurisdiction.

This the 8th Day of September, 2015

____
Dr. Ken Moore
Mayor

ADMINISTRATION

HISTORIC FRANKLIN TENNESSEE

Dr. Ken Moore
Mayor

Eric S. Stuckey
City Administrator

RETAILER'S CERTIFICATE
(RENEWAL)

Pursuant to T.C.A. §57-3-208, the City of Franklin hereby certifies the following facts concerning James W. Woodard, Jr., who has made application for a retailer's license to handle alcoholic beverages at Cool Springs Wines and Spirits, 1935 Mallory Lane, Franklin, Tennessee 37067, which is within the corporate limits of the City of Franklin, Williamson County, Tennessee:

1. The owner who is to be in actual charge of the business has not been convicted of any violation of the laws against possession, sale, manufacture, or transportation of beer or other alcoholic beverages, or of any felony, or of any crime involving moral turpitude, within the past ten (10) years immediately preceding the date of application, and shall not violate any of the provisions of Tennessee Code Annotated, Title 57, Chapter 3;

2. The applicant(s) has secured a location for the business which complies with all restrictions of local law, ordinances, or resolutions, duly adopted by the local authorities as to location.

3. The applicant (by and through one or more of its owners) meets all residency requirements established by local authority under Franklin Municipal Code Section 2-108A.

4. The applicant has complied with local laws, ordinances, and resolutions duly adopted by the local authority regulating the number of retail licenses to be issued within the jurisdiction.

Approved on the 8th day of September, 2015.

CITY OF FRANKLIN, TENNESSEE

____

Dr. Ken Moore, Mayor

ADMINISTRATION

Dr. Ken Moore
Mayor

Eric S. Stuckey
City Administrator

HISTORIC
FRANKLIN
TENNESSEE

RETAILER'S CERTIFICATE
(RENEWAL)

Pursuant to T.C.A. §57-3-208, the City of Franklin hereby certifies the following facts concerning application in the name of Quillco, LLC d/b/a The Bottle Shop at McEwen, owned by Lisa Quillman and the managing agent, Nancy Jones Quillman, who has made application for a retailer's license to handle alcoholic beverages at 1556 W. McEwen Drive, Suite 102, Franklin, TN 37067 (The Bottle Shop at McEwen), which is within the corporate limits of the City of Franklin, Williamson County, Tennessee:

1. The owner(s) who are to be in actual charge of the business have not been convicted of any violation of the laws against possession, sale, manufacture, or transportation of beer or other alcoholic beverages, or of any felony, or of any crime involving moral turpitude, within the past ten (10) years immediately preceding the date of application, and shall not violate any of the provisions of Tennessee Code Annotated, Title 57, Chapter 3;

2. The applicant(s) has secured a location for the business which complies with all restrictions of local law, ordinances, or resolutions, duly adopted by the local authorities as to location.

3. The applicant (by and through one or more of its owners) meets all residency requirements established by local authority under Franklin Municipal Code Section 2-108A.

4. The applicant has complied with local laws, ordinances, and resolutions duly adopted by the local authority regulating the number of retail licenses to be issued within the jurisdiction.

This the 8th Day of September, 2015.

Dr. Ken Moore
Mayor

KRONOS®

COF Contract No.
2013-0127
Amendment No. 3

ORDER FORM

Quote#: 500445 - 1
Expires: 30-SEP-2015
Sales Executive: Herndon, David Leon

Order Type: Upgrade US
Date: 07-JUL-2015

Bill To: CITY OF FRANKLIN, TENNESSEE
109 3RD AVE SOUTH; SUITE 102
FRANKLIN
TN 37064
United States

Solution ID: 6114704

Ship To: Attn:SHIRLEY HARMON
CITY OF FRANKLIN, TENNESSEE
109 3RD AVE SOUTH; SUITE 102
FRANKLIN
TN 37064
United States

Contact: Shirley Harmon
Email: shriley.harmon@franklintn.govv
Ship To Phone: 1 615 791-3216

Payment Terms: N30
Currency: USD
Customer PO Number:

FOB: Shipping Point
Ship Method:
Freight Term: Prepay & Add

Order Notes:
This order is subject to the Terms and Condtitions of the CITY OF FRANKLIN, TENNESSEE PROCUREMENT AGREEMENT between the City of Franklin, Tennessee and Kronos Incorporated dated 12/19/2013.

PROFESSIONAL SERVICES / EDUCATIONAL SERVICES

Item	Quantity	Unit Price	Total Price
MOMENTUM ONLINE REMOTE TEAM	86 Hours		16,770.00
Project Manager	18 Hours	195.00	
Application Consultant	68 Hours	195.00	
MOMENTUM ONLINE SUITE ESSENTIALS (HRMS)	24 Hours	195.00	4,680.00
Application Consultant	24 Hours	195.00	
		Total Price	**21,450.00**

Item	Quantity	Total Price
KPC VERSION UPGRADE	162	0.00
	Total Price	**0.00**

QUOTE SUMMARY

Description	Total Price
Subtotal	21,450.00
Deposit	0.00
Tax	0.00
Grand Total	**21,450.00**

CITY OF FRANKLIN, TENNESSEE

Signature: ________________________________

Name: ___________________________________

Title: ____________________________________

Effective Date: ___________________________

Kronos Incorporated

Signature: ________________________________

Name: ___________________________________

Title: ____________________________________

Effective Date: ___________________________

Invoice amount will reflect deposit received. All professional services are billed as delivered with a payment term of Net Upon Receipt. Unless otherwise indicated above, this order is subject to the attached terms and conditions which the customer acknowledges have been read. THIS ORDER IS SUBJECT TO APPLICABLE TAXES. THE TAX AMOUNT SHOWN ON THIS ORDER IS ONLY AN ESTIMATE. THE ACTUAL TAX AMOUNT TO BE PAID BY CUSTOMER WILL BE SHOWN ON CUSTOMER'S INVOICE. The JBoss® Enterprise Middleware components embedded in the Software are subject to the End User License Agreement found at http://www.redhat.com/licenses/jboss_eula.html.Shipping and handling charges will be reflected on the final invoice.

Services Scope Statement

Workforce Central No Charge Like-for-Like Upgrade in Kronos Private Cloud, Additional Consulting Services

Prepared for: City of Franklin, Tennessee

Kronos Solution ID: 6114704

Prepared By	Michael Gragg	**Sales Executive**	David Herndon
Creation Date	07/02/2015	**Expiration Date**	09/25/2015
Project Type	KPC Upgrade	**Template**	KPC Technical Upgrade Addl Services Template 2014-07-28
Filename	City of Franklin KPC Upgrade Addl Services SOW MG 081215 R2		

1 PROJECT SCOPE

This Services Scope Statement OR "SSS" documents the agreement between Kronos Incorporated and City of Franklin, Tennessee ("Customer") concerning the services to be performed by Kronos, including the deliverables, the costs of the project, the responsibility of each party and how the project will be managed.

1.1 PROJECT OVERVIEW

City of Franklin, Tennessee is upgrading the existing Workforce Central KPC hosted solution to Workforce Central Version 8.0, including the no-charge technical upgrade of the system and inclusion of additional services for assistance with the Workforce Central upgrade.

1.2 PRODUCT SUMMARY

The following products are considered in scope for the services and fees defined within this document, unless otherwise noted below. Additional products and/or licenses may incur additional fees.

Software	Version	Licenses Owned	Licenses Hosted
Workforce Timekeeper	8.0	750	750
Workforce Manager	8.0	180	180
Workforce Employee	8.0	750	750
Workforce Integration Manager	8.0	750	750
Workforce HR	8.0	750	750
Workforce HR / PR Administrator	8.0	12	12
Workforce Manager HR/PR	8.0	180	180
Workforce Employee HR/PR	8.0	750	750
Workforce Absence Manager	8.0	750	750
Terminals		**Quantity to be Connected**	
4500 and/or InTouch Terminals		23	

1.3 PROJECT DURATION

Estimated Duration of Project	**10 weeks**

Depending upon "Customer" resource availability and project task capability, the duration of the project may need to be extended. This will increase the number of hours required for tasks that are performed on a weekly basis such as managing project communications, managing/updating project plans, facilitating project meetings and updating project status reports.

2 PROJECT GUIDELINES

2.1 CHANGE CONTROL

If the Scope of Services defined in this document changes at any time during the course of this project, Kronos and City of Franklin, Tennessee will review and adjust the scope and budget of services through standard Kronos change control procedures.

Please review the Kronos Change Control Policy:

http://www.kronos.com/professionalservicesengagementpolicies.aspx

2.2 CUSTOMER APPROVAL OF SERVICE DELIVERABLES

As part of the project, service deliverables may be provided to City of Franklin, Tennessee for approval and/or acceptance. Delays in customer approval/acceptance of deliverables will result in an extension of the project timeline and may result in additional billable services being required. To avoid project delays and increased costs, City of Franklin, Tennessee should expect to approve/accept deliverables or provide written notification of errors to Kronos within five (5) business days after receipt of the deliverable. Following the receipt of a revised deliverable, City of Franklin, Tennessee will then have an additional five (5) business days to report that all errors have been resolved and provide deliverable acceptance.

2.3 ENGAGEMENT RECOMMENDATIONS

The Customer is responsible for developing their workforce management policies and for documenting and disseminating business procedures and policy changes to support the Kronos system prior to Kronos implementing the policies. The Customer's Project Team will attend appropriate Kronos training prior to and while participating in the implementation. The Customer understands that Kronos recommends setup of both a DEVELOPMENT/TEST and PRODUCTION environment.

Commitment from the Customer's upper management is crucial to the success of the project. Kronos assumes the Customer will assign a Project Executive Sponsor. The Executive Sponsor is responsible for implementing the necessary change management for the Customer to embrace using an automated Workforce Management system and for ensuring the Project Team is appropriately staffed, made available and is executing their tasks according to the Project Plan.

3 TECHNICAL UPGRADE SERVICES

The Technical Upgrade Services in this section (3) of the Services Scope Statement are included in the like-for-like technical upgrade and are provided at no additional charge to the customer.

3.1 UPGRADE PROJECT ASSUMPTIONS

- Customer's existing configuration and interfaces will be upgraded as is to version 8.0. Any changes to the configuration are not included in standard upgrade services, however additional consulting services may be purchased if needed.
- Existing modules and features will be upgraded in one non-Production instance and one instance of the Production environment. Additional hours may be required for upgrade if additional environments and/or multiple refreshes of database are requested.
- Customer is responsible for reviewing and testing any new functionality, if applicable.
- Customer is responsible for assessing potential impact of the upgrade on their organization and for developing and communicating any new workforce management policies or business procedures to support upgraded Kronos solutions.
- Commitment from City of Franklin, Tennessee upper management is crucial to the success of the project. Kronos assumes that Customer will assign a project manager, who shall be the primary point of contact throughout the upgrade process and will be responsible for User Acceptance Testing and Sign off.

3.2 SCOPE OF CLOUD TECHNICAL UPGRADES:

- Plan Phase
  - Assessment of current environment
  - Scope definition
  - Review the project scope
  - Weekly upgrade status review meetings
  - Provide Project Schedule
  - Technical readiness & architecture review – Hosting Environment
- Assess Phase
  - Interface upgrade review
  - VPN tunnel assessment
- Solution Upgrade / Build Phase
  - Upgrade Non-PROD and PROD Environments to new version (limited to one upgrade per environment)
  - Upgrade standard interfaces in Non-PROD and PROD environments
  - Migrate custom reports and unit test (NOTE: if these require changes in the upgraded environment, these changes are not in scope of the Technical Upgrade)
- Test & Certify Phase
  - Unit test upgraded environments
  - UAT interfaces, custom reports, new features, etc.
  - Testing Support – limited to 2 hrs per week for 2 weeks
  - Sign-off on tested upgraded Non-PROD and PROD Environments
- Deploy & Support Phase
  - Upgrade Production Environment to new version (limited to one production upgrade)
  - Payroll Processing Support
  - Sign-off Production Environment

4 ADDITIONAL SERVICES

This section (4) provides a description of services to be delivered beyond the scope of technical like-for-like upgrade and are billable Consulting Services. The cost for the additional upgrade services is included in section 5.2 of this Services Scope Statement.

4.1 PROJECT SCOPE

In addition to the KPC technical upgrade, customer is requesting additional Kronos assistance with project management and application testing support.

- Project Management
- WFC, Accruals, Leave Testing and Deployment Support
- HRMS, Life Event, Benefits Testing and Deployment Support

5 PROJECT COSTS AND RATE SCHEDULES

5.1 TECHNICAL UPGRADE SERVICES

The following services are included as part of the Cloud Services offering:

Technical Upgrade Services				
Role	**Hours**	**Part Number**	**Rate**	**Total**
Managed Services Consultant	162	9990113-CON	$0.00	$0.00

5.2 ADDITIONAL SERVICES

The following Kronos Consulting Services have been requested by the customer to provide additional Kronos assistance with project management and application testing support.

Professional Services				
Role	**Hours**	**Part Number**	**Rate**	**Total**
Project Manager	18	9990002-ONL	$195.00	$3,510.00
Application Consultant	68	9990002-ONL	$195.00	$13,260.00
Application Consultant	24	9990005-ONL	$195.00	$4,680.00
Totals:	110			$21,450.00

6 SIGNATURES AND APPROVALS

SUBMITTED AND APPROVED BY KRONOS REPRESENTATIVE

By: ______________________________ Date: ______________________________

Title: ______________________________

This Services Scope Statement is subject to City of Franklin, Tennessee's agreement with Kronos governing Professional, Education and Cloud Services. By signing below, City of Franklin, Tennessee's authorized representative agrees to purchase the services described herein.

ACCEPTED AND AGREED

City of Franklin, Tennessee

By: ______________________________ Date: ______________________________

Title: ______________________________

7 APPENDIX

7.1 ENGAGEMENT GUIDELINES

Please review the Kronos engagement guidelines:

http://www.kronos.com/professionalservicesengagementpolicies.aspx

UTILITY RELOCATION AGREEMENT WITH AT&T TENNESSEE FOR THE HILLSBORO ROAD IMPROVEMENTS PROJECT PHASE 2, INDEPENDENCE SQUARE TO MACK HATCHER PARKWAY
COF Contract No. 2015-0044

THIS AGREEMENT is by and between the **City of Franklin, Tennessee** ("City") and **AT&T Tennessee** ("Utility").

WITNESSETH:

WHEREAS, the City plans to construct the Hillsboro Road Improvements Project Phase 2, Independence Square to Mack Hatcher Parkway, TDOT PIN 108409.00, (the "Project"), as shown on construction plans and specifications as part of COF Contract No. 2015-0002; and

WHEREAS, for said Project to be constructed it will be necessary for the Utility to relocate certain parts of its facilities, one hundred percent (100%) of which are located on public highway right-of-way and zero percent (0%) of which are located on private utility rights-of-way or easements; and

WHEREAS, the City is liable for the relocation of the Utility's facilities located on private Utility rights-of-way but is not liable for adjustment of the Utility's facilities located on publicly owned rights-of-way or for any Utility betterment costs; and

WHEREAS, the Utility has furnished the City with final Utility relocation construction plans and a construction cost estimate showing the manner of relocating their facilities and the estimated total cost is in the amount of One Hundred Forty Thousand One Hundred Thirty and 60/100 Dollars ($140,130.60) ("Utility's Cost"); and

WHEREAS, the parties desire to enter into an Agreement to provide for the relocation of the Utility's facilities in conjunction with the City's Project, and the Utility has requested the City to undertake the hereinafter described Utility relocation work in its Project construction contract (COF Contract No. 2015-0002); and

WHEREAS, it is in the mutual interest of the parties that this Utility relocation work be performed together with the construction of the Project.

NOW THEREFORE, in consideration of these premises and the mutual promises contained herein, it is agreed by and between the parties as follows:

1. The foregoing recitals are incorporated by reference as if fully stated herein.

2. The City will show the proposed relocation of the Utility's facilities in the Project construction plans as Project cost items and will receive bids for same by its highway contractor as a part of the construction contract (COF Contract No. 2015-0002) for construction of the above mentioned Project. The City will be responsible for having its

contractor perform the aforesaid Utility relocation work in accordance with the City's construction contract, including the Project plans, standard specifications, special provisions, and the Utility relocation plans and specifications heretofore agreed upon by and between the parties hereto, all of which are incorporated herein by reference.

3. The Utility agrees to reimburse the City for the Utility's Cost. Reimbursement shall be based on the reasonable and customary actual cost of the Utility's Cost items as shown on the approved Project plans incorporated herein by reference, which shall only include relocation of Utility cables and manholes with conduit runs. It is further agreed that the Utility will make payment to the City in the amount of the estimated cost of the Utility's Cost items prior to advertisement for bids. In the event said payment exceeds the aggregate amount of the Utility's Cost charges, the difference will be refunded to the Utility. In the event said Utility's Cost charges exceed the deposit, the Utility agrees to reimburse the City for such additional amount.

4. This Agreement is subject to the appropriation and availability of City funds. In the event that the funds are not appropriated or are otherwise unavailable or the City cancels the Project for any reason prior to awarding the Project construction contract, the City reserves the right to terminate this Agreement upon written notice to the Utility. Said termination shall not be deemed a breach of contract by the City.

5. The Utility agrees that the City may advertise for and receive bids for the construction of the Project, including the proposed relocation of the Utility's facilities, and award and enter into contract with the lowest responsible bidder.

6. If the apparent low bidder's bid for the Utility's Cost items exceeds the estimate by more than twenty percent (20%), the City shall notify the Utility of the bid amount and the Utility can agree to the bid or may request the withdrawal of the utility relocation work from the City's Project contract, provided that the Utility agrees to perform the utility relocation work with its own forces or by separate contract. Should the utility choose to withdraw its required relocation work from the City's Project contract and do the utility relocation work with its own forces or by separate contract, the utility shall be liable for any and all costs associated with any delay it may cause to the City's Project. It is also understood and agreed that the City, in its sole discretion, may reject any and all bids submitted for the construction of said Project without any liability whatsoever to the Utility.

7. It is further agreed that in letting the construction contract with respect to the proposed relocation of the Utility's facilities, the City is acting solely in accommodation of the Utility and shall have no liability to the Utility for any damages or claims arising out of acts or omissions on the part of the City's contractor. The Utility agrees that it will not hold the City responsible for any claims arising out of the inclusion of the Utility's items of work in the City's highway construction contract. Under this Agreement, the "City" shall include any and all officers and employees of the City of Franklin, Tennessee acting within the scope of their employment with the City.

8. The Utility relocation plans and specifications heretofore agreed upon by and between the parties hereto, all of which are incorporated herein by reference are provided by the Utility, signed and sealed in accordance with State regulations by a licensed engineer employed by the Utility, and the Utility is solely responsible for said relocation plans and specifications. The Utility shall be responsible for all direct or indirect costs resulting from errors and omissions of said relocations plans and specifications included in the City construction contract. The Utility shall be responsible to provide the City any and all necessary plans, electronic files, documentation, or anything else that is deemed necessary by the City to include the Utility work in the City construction contract.

9. The Utility has acquired or shall acquire all Utility rights-of-way outside of the available public highway right-of-way and/or easements as may be needed to relocate its Utility facilities, including any betterment, and the Utility shall provide the City and its contractor with the rights to use these Utility rights-of-way and/or easements for construction purposes. The Utility further agrees that it has acquired or will acquire these rights-of-way at no cost to the City except insofar as City may be liable to reimburse the Utility for the replacement of previously owned private Utility right-of-way and/or easements.

10. The Utility shall have the right and responsibility to inspect and approve, prior to the City's release of its Project contractor's bond, all items of Utility relocation work to be performed under the proposed highway construction contract to ensure that the relocation is completed in accordance with this Agreement and all applicable plans, specifications, and safety codes. The inspection of the Utility's facilities shall be performed at no cost to the City.

11. The Utility agrees to perform the Utility engineering work and inspection work provided for in this Agreement by its own forces and/or consultant engineering services approved by the City.

12. The City may submit periodic invoices to the Utility during the course of the Project (not more frequently than every thirty (30) days), which invoices shall be payable within thirty (30) days after receipt of same by the City. Within sixty (60) days of completion of the Utility's relocated facilities, the City and Utility shall settle on a final billing. The City and Utility will provide reasonable documentation to reconcile all such costs.

13. The Utility agrees, to the extent provided by law, that it will be solely responsible for any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Utility or its employees in the performance of the Utility's engineering and inspection work relating to this Agreement. Except to the extent caused by the City's negligence or willful misconduct, the Utility agrees that it will not hold the City responsible for any claims arising out of the inclusion of the Utility's items of work in the City's Project construction contract. Under this Agreement, the "City" shall include any and all officers and employees of the City of Franklin, Tennessee acting within the scope of their employment with the City.

14. In the event that the City is sued for damages arising from acts, omissions, or negligence by the Utility or its employees, the Utility shall cooperate in the City's defense. The City shall give the Utility written notice of any such claim or suit, and the Utility shall have full right and obligation to conduct the Utility's own defense thereof. Nothing contained herein shall be deemed to accord to the Utility, through its attorney(s), the right to represent the City in any legal matter, such rights being governed by Tennessee Code Annotated, Section 8-6-1 06.

15. The City shall have no liability except as specifically provided in this Agreement.

16. Failure by any party to this Agreement to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term, covenant, condition or provision of this Agreement shall be held to be waived, modified, or deleted except by written amendment specifically citing the paragraph within the Agreement to be amended and signed by the parties hereto.

17. The Utility shall comply with all applicable federal, state and City laws and regulations in the performance of its duties under this Agreement. The parties agree that failure of the Utility to comply with this provision shall constitute a material breach of this Agreement and subject the Utility to the repayment of all City funds expended, or expenses incurred, under this Agreement.

18. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective heirs, legal representatives, successors and assigns.

19. TIME IS OF THE ESSENCE OF THIS AGREEMENT.

20. This Agreement is made under and will be construed in accordance with the laws of the State of Tennessee without giving effect to that state's choice of law rules. The parties' choice of forum and venue shall be exclusively in the courts of Williamson County, Tennessee. The Utility acknowledges and agrees that any rights or claims against the City or its officials, contractors, agents or employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available to the City under law.

21. If any terms, covenants, conditions or provisions of this Agreement are held to be invalid or unenforceable as a matter of law, the other terms, covenants, conditions and provisions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Agreement are declared severable.

To City:
William Banks
Staff Engineer
109 3rd Avenue South
Franklin, TN 37064
Fax: (615) 791-3293
William.banks@franklintn.gov

To AT&T Tennessee
Name: LEE KORNEGAY
Title: MGR - OSP ENGR.
Address: 116 S. CANNON AVE
MURFREESBORO, TN 37129
Fax: (615) 848-2082
Email: KK4096@ATT.COM

The Board of Mayor and Aldermen Approved this Agreement on the ______ Day of __________, 2015.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates as indicated below.

CITY OF FRANKLIN, TENNESSEE

By: ____________________________
Dr. Ken Moore
Mayor
Date: ____________________________

AT&T Tennessee

By: ____________________________
Print: JAMIE LUCAS, JR
Title: DIRECTOR - TN/KY ENGINEERING
Date: 7/8/15

Attest:

____
Eric S. Stuckey
City Administrator
Date: ____________________________

Approved as to form:

____
Kristen L. Corn, Staff Attorney

Water Treatment Plant Upgrade

City of Franklin, Tennessee

August 25, 2015

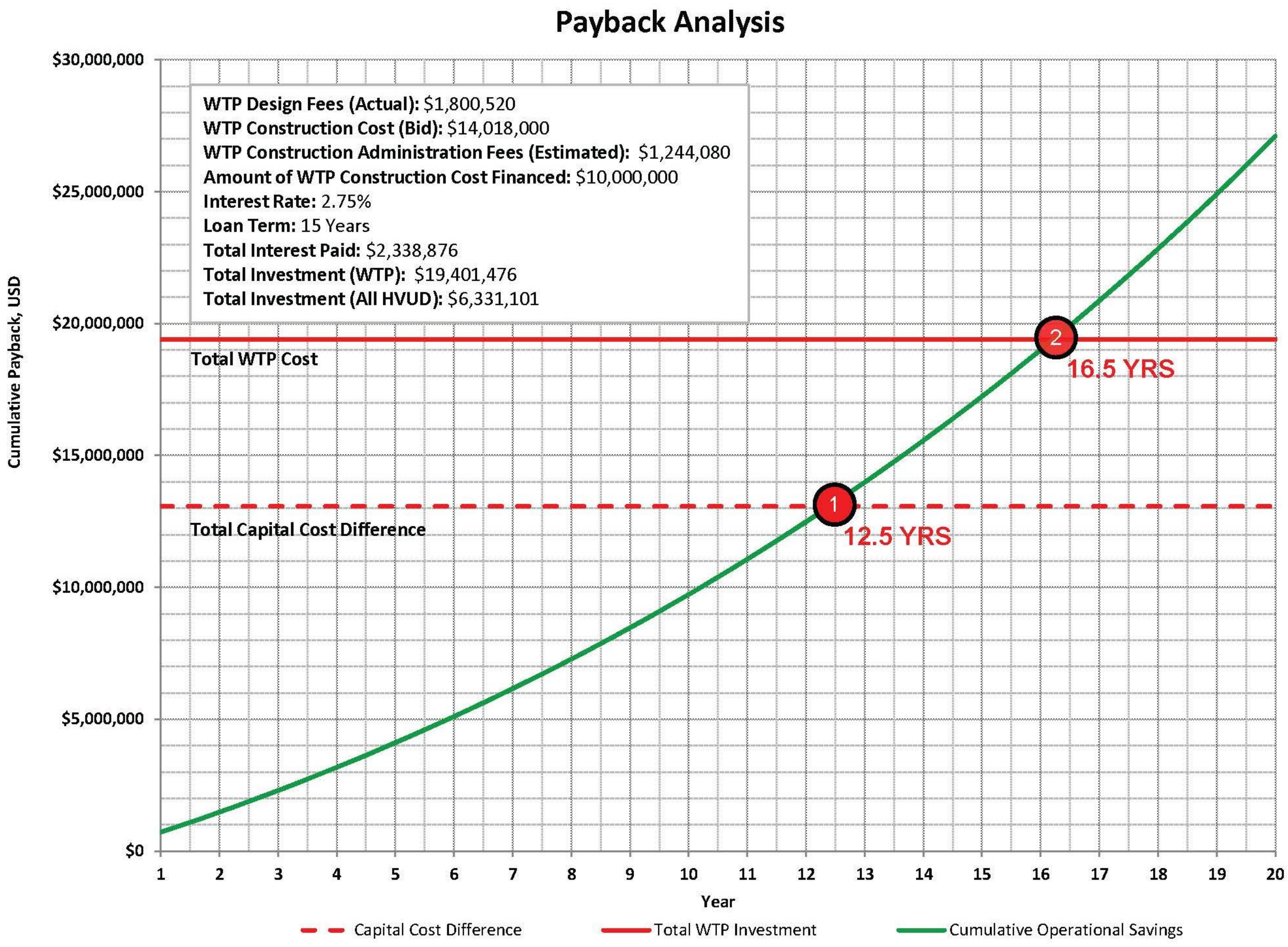
Timeline of Decisions regarding Water Treatment Plant Upgrade

- **August 2008** - Raw Water Reservoir Improvement to 114 million gallon capacity – Completed April 2011
- **September 2011** - Harpeth Restoration Project (Low-Head Dam removal) near WTP intake – Completed Fall 2012
- **2010-12** – Integrated Water Resource Plan (IWRP) – Broad base of stakeholders established 9 weighted objectives, including various aspects of water supply
        - Evaluation of multiple scenarios
        - Integrated modeling to evaluate performance of scenarios
    - Approval of Resolution 2012-018 identifying priority projects – May 2012
- **November 2012** - Engineering Design Services for Water Treatment Plant Upgrade – Contract 2012-0183
- **May 2014-** Preliminary Engineering Report review and selection of 2.6 MGD Firm Capacity Water Treatment Plant Upgrade option.
- **July 2015** - Aquatic Resources Alteration Permit (ARAP) issued
    - Maintained withdrawal level and low flow cut-off. Inclusive of new dissolved oxygen permit standard of 5 mg/L as suggested by the City

Why upgrade a 60 year old plant?

- **Resiliency and Water Supply Diversity**
  - The City of Franklin experiences this during the 2010 flood when we were able to bring our WTP back on line quickly. Franklin and our broader region benefited by our ability to treat water from the Harpeth River.
  - A water main break in south Nashville last summer caused thousands of residents in parts of Nashville and Brentwood to go on water restrictions for several days.
  - Other communities dependent on only one source have suffered major service disruption: Chemical spill on the Elk River in West Virginia; Toledo, Ohio due to a massive algae bloom in Lake Erie
  - Williamson Medical Center benefits greatly by having more than one source of water to support its vital service to the community. This is especially true in a time of greatest need, such as a natural disaster.
- **Economics that help stabilize rates**
  - Anticipated total payback within 13-17 years
  - Projections show a lower cost of operation (plus debt service) compared to a full HVUD purchase option.
- **System Dynamics**
  - System HVUD provides the City with quality water. While preliminary evaluations have been performed, buying water solely from HVUD requires evaluation of quantity and quality aspects of the distribution system that has largely been designed over the years based on the presence of a plant.

Payback Analysis

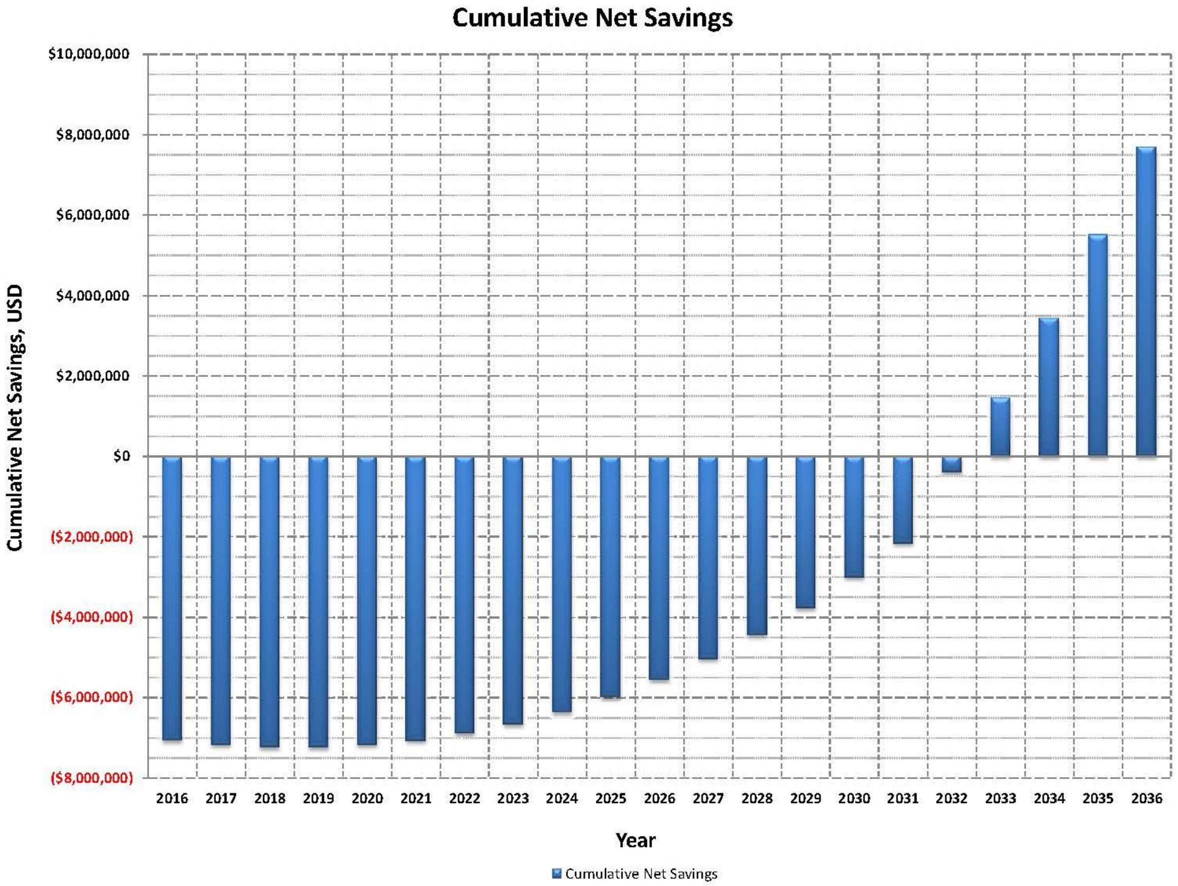


Net Savings Analysis

7.4 - Cumulative Net Savings on 2.6 MGD Facility

Year	O&M Savings	Less Debt Service	Capital Outlay	Annual Net Savings	Cumulative Net Savings	Year	O&M Savings	Less Debt Service	Capital Outlay	Annual Net Savings	Cumulative Net Savings
2016	$0	$0	$7,062,600	-$7,062,600	-$7,062,600						
2017	$711,626	$822,592	$0	-$110,966	-$7,173,566	**2027**	$1,337,666	$822,592	$0	$515,075	-$5,043,371
2018	$764,764	$822,592	$0	-$57,827	-$7,231,393	**2028**	$1,417,468	$822,592	$0	$594,876	-$4,448,495
2019	$820,138	$822,592	$0	-$2,454	-$7,233,847	**2029**	$1,500,444	$822,592	$0	$677,852	-$3,770,643
2020	$877,842	$822,592	$0	$55,251	-$7,178,596	**2030**	$1,581,382	$822,592	$0	$758,790	-$3,011,853
2021	$935,068	$822,592	$0	$112,476	-$7,066,120	**2031**	$1,671,647	$822,592	$0	$849,055	-$2,162,798
2022	$994,572	$822,592	$0	$171,980	-$6,894,141	**2032**	$1,765,898	$0	$0	$1,765,898	-$396,900
2023	$1,056,447	$822,592	$0	$233,855	-$6,660,285	**2033**	$1,864,320	$0	$0	$1,864,320	$1,467,420
2024	$1,120,790	$822,592	$0	$298,199	-$6,362,087	**2034**	$1,967,108	$0	$0	$1,967,108	$3,434,527
2025	$1,187,701	$822,592	$0	$365,110	-$5,996,977	**2035**	$2,074,463	$0	$0	$2,074,463	$5,508,991
2026	$1,261,123	$822,592	$0	$438,531	-$5,558,446	**2036**	$2,190,428	$0	$0	$2,190,428	$7,699,419

* 2016 Capital Outlay: $1.80 M in Design Fees, $1.25 M in CA Fees, and $4.01 M in Cash toward Construction Cost



Water Rate Comparison – 2010-14

Year (Date of HVUD Rate change)	HVUD Rate (per 1,000 gallons)*	% Change – HVUD	% Change – COF (Calendar Year)
2/1/2014	$2.55	8.1%	4.0%
2/1/2013	$2.36	8.3%	4.0%
4/1/2012	$2.18	9.0%	4.0%
4/1/2011	$2.00	4.7%	4.0%
1/1/2010	$1.91**		

August 6, 2015

Mr. David Parker – City Engineer
City of Franklin
109 3rd Avenue South
Franklin, TN 37064

RE: **Bid Award Recommendation**
Water Treatment Plant Modifications
City of Franklin, Tennessee
City Contract No. 2015-0062
SSR Job Number: 12-41-013.0

Dear Mr. Parker:

Sealed bids for construction of the Water Treatment Plant Modifications were opened on August 4, 2010. Three bids were received and are summarized on the attached certified Bid Tabulation. The apparent low bidder is Judy Construction Company of Cynthiana, Kentucky with a total base bid price of $14,018,000.00. We have enclosed the original of Judy's bid form and associated documents in addition to those received from the two other general contractors. We have retained one electronic copy of all received bid documents for our records.

The total base bid price from Judy Construction was below the Engineer's estimate for the project of $14,400,000. We are convinced that the City of Franklin received a competitive bid from Judy Construction that is reflective of the current economic and bidding environment. This assessment is based on the fact that there is less than 6.5 percent separating the lowest and highest total base bid prices.

We have reviewed the Bidder Qualification Questionnaire submitted as part of the bid from Judy Construction and find their previous work experience consistent with our expectations for a contractor capable of successfully delivering a project in the size and scope of the Water Treatment Plant Modifications project. We are confident in Judy Construction's capabilities to complete the work required on this project and therefore recommend award to Judy Construction with contract amount of $14,018,000.00.

If you have any questions regarding this recommendation or the project in general, please contact me at (615) 460-0522.

Sincerely,

SMITH SECKMAN REID, INC.

Andrew T. Johnson

Encl: Certified Bid Tab

Cc: Mark Hilty, Michelle Hatcher – City of Franklin
JAG, JHB, File (1)

2995 Sidco Dr., Nashville, TN 37204
Tel: 615.383.1113 · Fax: 615.386.8469 · www.ssr-inc.com

SSR Smith Seckman Reid, Inc.

BID TAB SHEET FOR	Judy Construction Company	Smith Contractors, Inc.	Cumberland Valley Constructors, Inc.
CITY OF FRANKLIN	P.O. Box 3891	150 Construction Drive	2518 Plum Street
FRANKLIN WATER TREATMENT PLANT MODIFICATIONS	Cookeville, TN 38502	Livingston, TN 38570	Nashville, TN 37207
COF CONTRACT 2015-0062	TN Lic #60508	TN Lic #8039	TN Lic #63464
SSR NO 12-41-013.0	Expiration Date: 01/31/16	Expiration Date: 01/31/17	Expiration Date 03/31/16
Page 1 of 1			
BID DATE: August 4, 2015	Classification: BC, HRA-A, E(5); MU	Classification: BC; MU-A, B, C; HRA-C	Classificaiton: BC; MU; HC; HRA; CMC
1:00 PM CDT TIME	Monetary Limits: Unlimited	Monetary Limits: Unlimited	Monetary Limits: Unlimited

SCHEDULE A - LUMP SUM BID ITEMS

ITEM NO.	DESCRIPTION	EST. QTY	UNITS	ITEM TOTAL	ITEM TOTAL	ITEM TOTAL
1	Construct, install, test, and place into operation raw water intake screen and pump station, complete lump sum bid	1	LS	$2,100,000.00	$3,420,000.00	$1,795,000.00
2	Construct, install, test, and place into operation 2.67 MGD membrane filtration water treatment facility, complete lump sum bid	1	LS	$8,930,100.00	$7,981,000.00	$10,147,100.00

SCHEDULE B - ALLOWANCES AND GUARANTEED PRICE ITEMS

ITEM NO.	DESCRIPTION	EST. QTY	UNITS	ITEM TOTAL	ITEM TOTAL	ITEM TOTAL
3	Cash allowance for Materials Testing	1	LS	$60,000.00	$60,000.00	$60,000.00
4	Cash allowance for Concrete Repair @ Existing Flocculation, Settling, and	1	LS	$40,000.00	$40,000.00	$40,000.00
5	Cash allowance for Additional Spare Parts	1	LS	$25,000.00	$25,000.00	$25,000.00
6	Cash allowance for Construction Contingencies	1	LS	$750,000.00	$750,000.00	$750,000.00
7	Cash allowance for Construction Contingencies @ Existing Filter Building	1	LS	$50,000.00	$50,000.00	$50,000.00
8	Cash allowance for Electric Utility Relocation Work	1	LS	$30,000.00	$30,000.00	$30,000.00
9	Guaranteed Price for Membrane Filtration System, Section 46 61 33	1	LS	$1,368,900.00	$1,368,900.00	$1,368,900.00
10	Guaranteed Price for Closed-Vessel Ultraviolet Treatment Equipment,	1	LS	$664,000.00	$664,000.00	$664,000.00
TOTAL BASE BID (SCHEDULE A + SCHEDULE B)				**$14,018,000.00**	**$14,388,900.00**	**$14,930,000.00**

SCHEDULE C - ADJUSTMENT PRICE ITEMS

ITEM NO.	DESCRIPTION	EST. QTY	UNITS	Unit Price	ITEM TOTAL	Unit Price	ITEM TOTAL	Unit Price	ITEM TOTAL
1	Earth excavation, disposal, and replace with No. 57 or 67 stone	250	CY	$91.00	$22,750.00	$50.00	$12,500.00	$60.00	$15,000.00
2	Rock excavation, disposal, and replace with No. 57 or 67 stone	250	CY	$125.00	$31,250.00	$70.00	$17,500.00	$150.00	$37,500.00
3	Granular backfill, in place	500	CY	$49.00	$24,500.00	$40.00	$20,000.00	$40.00	$20,000.00
4	Class C concrete, no reinforcing steel, in place	100	CY	$205.00	$20,500.00	$200.00	$20,000.00	$165.00	$16,500.00
TOTAL ADJUSTMENT PRICE ITEMS				**$99,000.00**		**$70,000.00**		**$89,000.00**	

SCHEDULE D - TABULATION OF BASE BID EQUIPMENT ITEMS

ITEM NO.	DESCRIPTION	MANUFACTURER/SUPPLIER	BID PRICE	ITEM TOTAL	BID PRICE	ITEM TOTAL	BID PRICE	ITEM TOTAL
1	Section 01 79 00 – Facility Online Training	360water, Inc.	**$119,275.00**	$119,275.00	**$120,000.00**	$120,000.00	**$120,000.00**	$120,000.00
2	Section 09 96 00 – Painting	Carboline	NO BID	$269,345.00	$120,000.00	$100,000.00	$400,000.00	$325,000.00
		Sherwin Williams	NO BID		**$100,000.00**		$400,000.00	
		TNEMEC	**$269,345.00**		$200,000.00		**$325,000.00**	
3	Section 43 21 39 – Submersible Pumps	Sulzer/ABS	**$160,475.00**	$160,475.00	**$160,000.00**	$160,000.00	**$190,000.00**	$190,000.00
		KSB	$163,450.00		$163,000.00		$225,000.00	
		Flygt	NO BID		NO BID		$225,000.00	
		Wilo-USA	$300,000.00		$275,000.00		$225,000.00	
4	Section 43 21 17 – Verticle Turbine Pumps	Flowserve	$181,000.00	$172,000.00	$181,000.00	$180,000.00	$181,000.00	$180,000.00
		Xylem	**$172,000.00**		**$180,000.00**		**$180,000.00**	
5	Section 46 21 56 – Passive Raw Water Intake Screen	Hendrick	**$84,500.00**	$84,500.00	**$84,500.00**	$84,500.00	**$85,000.00**	$85,000.00
		Johnson	$94,500.00		$94,500.00		$95,000.00	
6	Section 46 41 26 – Floating Mechanical Mixer	Medora	**$62,350.00**	$62,350.00	**$60,350.00**	$60,350.00	**$61,000.00**	$61,000.00
7	Section 46 33 44 – Peristaltic Metering Pumps	Watson Marlow	**$110,000.00**	$110,000.00	**$130,000.00**	$130,000.00	**$30,000.00**	$30,000.00
8	Section 46 41 23 – Submersible Mixers	Enviropax	$47,000.00	$45,000.00	$48,000.00	$40,000.00	**$50,000.00**	$50,000.00
		Invent Environmental	**$45,000.00**		**$40,000.00**		$55,000.00	
		SPX Lightnin	$78,000.00		NO BID		$75,000.00	
9	Section 46 43 73 – Tube Settlers	Brentwood Industries	**$36,700.00**	$36,700.00	**$36,700.00**	$36,700.00	**$40,000.00**	$40,000.00
		Enviropax	$47,000.00		$49,000.00		$50,000.00	
		Meurer Research, Inc.	NO BID		NO BID		$50,000.00	
10	Section 46 43 79 – Sludge Collectors	Meurer Research, Inc.	**$183,000.00**	$183,000.00	**$225,000.00**		**$193,000.00**	$193,000.00
		Jim Myers & Sons, Inc.	$60,000.00		-$25,000.00	$225,000.00	$10,000.00	
11	Section 46 61 21 – Granular Activated Carbon Pressure Contactor	Calgon	**$961,000.00**	$961,000.00	$998,800.00	$983,000.00	**$962,000.00**	$962,000.00
		WesTech	**$961,000.00**		**$983,000.00**		$985,000.00	
TOTAL BASE BID EQUIPMENT ITEMS			**$2,203,645.00**		**$2,119,550.00**		**$2,236,000.00**	

NOTE: Manufacturer pricing listed in **bold** text indicates manufacturer that was selected on Bid Form.

I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT RECORD WITH ALL ERRORS IN EXTENSIONS OF UNIT PRICES CORRECT

JOSEPH A. GRIFFEY
REGISTERED ENGINEER
AGRICULTURE
COMMERCE
No. 112575
STATE OF TENNESSEE

8-5-15

BY Joseph A. Griffey, P.E.

RESOLUTION NO. 2015-66

TO BE ENTITLED: "A RESOLUTION TO AWARD THE CONSTRUCTION CONTRACT (COF CONTRACT NO. 2015-0062) FOR THE FRANKLIN WATER TREATMENT PLANT MODIFICATIONS TO JUDY CONSTRUCTION COMPANY IN THE AMOUNT OF $14,018,000.00."

WHEREAS, the City of Franklin (City) Board of Mayor and Aldermen (BOMA) approved on November 27, 2012, COF Contract No 2014-0183, the Franklin Water Treatment Plant (WTP) Modifications Project (Project) with Smith Seckman Reid, Inc. (Consultant) to provide for the design of the upgrade of the WTP in order to upgrade equipment and processes to provide for the Environmental Protections Agency's (EPA) enhanced treatment regulations; and

WHEREAS, on August 4, 2015, sealed bids for construction of the Project (COF Contract No. 2015-0062) were received, opened and publicly read aloud; and

WHEREAS, three bids were received for the construction of the Project ranging from a low of $14,018,000.00 to a high of $14,930,000.00 (see attached certified bid tab) with the low bid being submitted by Judy Construction Company of Cynthiana, Kentucky, and

WHEREAS, a review of the Bidder Qualification Questionnaire for Judy Construction reflects that Judy Construction has the work experience and capabilities necessary to successfully deliver a project the size and scope of the Water Treatment Plant Modifications Project, and

WHEREAS, it is the recommendation of the Consultant with concurrence of City staff to enter into (award) the construction contract (COF Contract No. 2015-0062) with Judy Construction Company in the Total Base Bid amount of Fourteen Million Eighteen Thousand and No/100 Dollars ($14,018,000.00); and

WHEREAS, included in the Total Base Bid for the Project there are several Cash Allowance, Contingency and Guaranteed Price items that will require some negotiations and approvals during the construction of the Project, and

WHEREAS, the BOMA finds that it is in the best interest of the City and for the efficiency of performing the WTP construction contract to authorize the City Administrator, City Engineer and/or the Water Management Department Director to negotiate and approve the expenditures of the Allowance, Contingency and Guaranteed Price items up to the limits as stipulated in the Bid Form with regular reporting of said expenditures to the BOMA; and

WHEREAS, the BOMA believes this is in the best interest of the City of Franklin, Tennessee.

NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE, THAT the award of the construction contract (COF Contract No. 2015-0062) to **Judy Construction Company** in the Total Base Bid amount of **Fourteen Million Eighteen Thousand and No/100 Dollars ($14,018,000.00)** is hereby approved.

BE IT FURTHER RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE, THAT the City Administrator, City Engineer and/or Water Management Department Director are authorized to negotiate and approve the expenditures of the Allowance, Contingency and Guaranteed Price items up to the limits as stipulated in the Bid Form with regular reporting of said expenditures to the BOMA.

RESOLVED this the 25th day of August, 2015.

CITY OF FRANKLIN, TENNESSEE	**Attest:**
____________________________	____________________________
Dr. Ken Moore **Mayor**	**Eric S. Stuckey** **City Administrator**

APPROVED AS TO FORM BY:

____

Shauna R. Billingsley
City Attorney

ORDINANCE 2015-18

TO BE ENTITLED: "AN ORDINANCE TO AMEND TITLE 12, CHAPTER 10 OF THE FRANKLIN MUNICIPAL CODE TO AMEND THE INTERNATIONAL RESIDENTIAL CODE, 2012 EDITION, SECTION R408.3 UNVENTED CRAWL SPACES."

WHEREAS, for the purpose of promoting the public health, safety, comfort, convenience, and general welfare of the people of Franklin, the Board of Mayor and Aldermen of the City of Franklin is authorized to prescribe regulations and standards for the design, construction, and repair to buildings and structures within the City; and

WHEREAS, in its legislative judgment the Board of Mayor and Aldermen has found that building regulations and standards must be dynamic and modified from time to time to reflect changes in model codes, construction materials, recognized construction methods, and safety standards necessary to preserve and promote the private and public interest; and

WHEREAS, the Building and Neighborhood Services Inspection Team has determined that the regulations for conditioned crawl spaces should be modified to allow for a wider range of insulation methods and materials while encouraging builders to construct crawl spaces that are more resistant to mold, radon, and moisture.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF FRANKLIN BOARD OF MAYOR AND ALDERMEN, AS FOLLOWS:

SECTION I. That Title 12, Chapter 10, Section 12-1002 of the City of Franklin Municipal Code is hereby amended to add the following text in **bold** and is approved to read as follows:

Sec. 12-1002. Amendments to the 2012 edition of the International Residential Code.

…

(12) Section R408.3 Unvented Crawl Space shall be amended to read as follows:

Ventilation openings in under-floor spaces specified in Sections $408.1 and R408.2 shall not be required where exposed earth is covered with a continuous Class I vapor retarder. Joints of the vapor retarder shall overlap by 6 inches (152 mm) and shall be sealed or taped. The edges of the vapor retarder shall extend at least 6 inches (152 mm) up the stem wall and shall be attached and sealed to the stem wall or insulation

SECTION II. **Repeal and Savings Clause.** All ordinances or parts of ordinances in conflict herewith are hereby repealed; provided, however, that nothing herein contained shall affect any rights, actions or causes of action which shall have accrued to the City of Franklin prior to the effective date of this ordinance.

SECTION III: BE IT FINALLY ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, Tennessee, that this ordinance shall be in full force and in effect for any building permit application received by the Building and Neighborhood Services Department after approval, the health, safety and welfare of the citizens of Franklin, Tennessee requiring it.

ATTEST:	CITY OF FRANKLIN, TENNESSEE:
By:____________________________	By: ________________________________
Eric S. Stuckey City Administrator/Recorder	Dr. Ken Moore Mayor of Franklin

PASSED FIRST READING ____

PASSED SECOND READING ____

Approved as to form:

____
Kristen L. Corn, Staff Attorney

CONTRACT BETWEEN THE CITY OF FRANKLIN AND THE HOUSING FUND, INCORPORATED FOR ADMINISTRATION AND ASSISTANCE OF DEVELOPMENT OF THE CONSOLIDATED ACTION PLAN AND REPORT (CAPER) FOR COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
COF Contract #2015-0190

This Contract is made and entered into this __ day of ___, 2015, by and between the City of Franklin, (hereinafter "THE CITY") and The Housing Fund, Inc. (hereinafter "THE ORGANIZATION").

WITNESSETH:

WHEREAS, THE CITY and its Board of Mayor and Aldermen desire to increase the supply of and access to moderately priced housing for its citizens; and

WHEREAS, THE CITY continues to be eligible for entitlement funds through the federal Community Development Block Grant ("CDBG") program, which requires submission of an updated 5 Year Consolidated Plan for Housing and Community Development, with an annual report due by May 15 each year, to the U.S. Department of Housing and Urban Development; and

WHEREAS, THE CITY desires to again contract with The Housing Fund, as a housing related non-profit organization, to compile the Consolidated Plan, Annual Action Plan, Annual Report (CAPER) and the Analysis of Impediments to Fair Housing; and to provide assistance in developing strategies to increase the supply of housing for eligible low and moderate income households within its jurisdiction; and

NOW, THEREFORE, in consideration of the mutual promises as contained herein, the parties hereto have agreed and hereby enter into this Contract according to the provisions as set forth herein.

SECTION 1 - SCOPE OF SERVICES

THE ORGANIZATION will work under the direction of the Assistant City Administrator for Community and Economic Development and the Housing Development Coordinator or their designee. THE ORGANIZATION will carry out activities necessary to guide the development of the 5 Year Consolidated Plan, Annual Action Plan, CAPER and an Analysis of Impediments, as required by HUD and associated public meetings and notices, and other actions as proposed in Exhibit A, which is referenced as if fully incorporated herein.

THE ORGANIZATION will provide technical assistance in achieving and maintaining program compliance, monitoring activities of contractors under the program, as well as, monitoring visits by federal and/or state officials.

SECTION 2 - RESPONSIBILITIES OF PARTIES

A. THE ORGANIZATION will perform the duties described above and take any actions necessary to accomplish the spirit of this Contract.

B. THE ORGANIZATION will submit regular reports (no less than quarterly) as directed by THE CITY detailing the progress of their project.

C. At the request of THE CITY, THE ORGANIZATION will periodically send a representative to neighborhood or other public meetings to discuss and promote its project.

D. THE CITY will provide funding for the program from the CDBG program as set forth in Section 3 of this contract.

SECTION 3 – COMPENSATION

THE ORGANIZATION will receive up to Twenty-Five Thousand and No/100 Dollars ($25,000.00) for the services outlined above from the Community Development Block Grant program for eligible expenses.

SECTION 4 - TIME OF PERFORMANCE, TERMINATION

A. Services shall be performed over a twelve (12) month period to commence upon execution of this Contract.

B. The City has the option to renew this Contract under the same terms and conditions for an additional twelve (12) months based on the availability of CDBG funds, which runs from July 1, 2016 through June 30, 2017. Both parties shall agree to this extension in writing.

C. This Contract may be terminated upon thirty (30) days written notice by either party.

SECTION 5 - PAYMENT TERMS AND CONDITIONS

A. THE CITY shall reimburse THE ORGANIZATION for services rendered based on submittal of valid invoices for project costs with a description and documentation of work performed. The CITY has the option of inspecting the completed work prior to making any payments.

B. The Schedule of Payments, if applicable, is attached as Exhibit B.

C. Invoices may be submitted monthly or quarterly as agreed.

D. Final payment will be subject to receipt of a final report that is satisfactory to THE CITY.

SECTIONS 6 - NOTICES

All notices under this Contract shall be in writing and sent by certified mail to the address listed below for each party.

Vernon J. Gerth
City of Franklin City Hall
109 3rd Avenue, S.
Franklin, TN 37064

Paul Johnson
The Housing Fund, Inc.
305 11th Avenue, S.
Nashville, TN 37203

SECTION 7 - STANDARD TERMS AND CONDITIONS

A. COMPLIANCE WITH FEDERAL LAWS/REGULATIONS

THE ORGANIZATION shall comply with all applicable Federal and State laws and regulations in the performance of this Contract.

B. ANTIDISCRIMINATION/AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT OPPORTUNITY

No person on the grounds of handicap, age, race, color, religion, sex, national origin, disability, or marital/familial status or any other classification protected by Federal and/or State of Tennessee constitutional and/or statutory law-shall be excluded from participation in, or be denied benefits or, or be otherwise subjected to discrimination in the performance of this Contract.

C. AUDIT REQUIREMENTS

1. This Contract, as well as any sub-agreement made with other participating agencies, is subject to all of the administrative requirements in OMB Circulars A-110 and A-122.

2. THE CITY hereby notifies THE ORGANIZATION that a single audit is required for non-profit agencies receiving $300,000 or more in federal funds in any single fiscal year. This requirement is in accordance with OMB Circulars A-110 and A-133. If required, a copy of the single audit report will be kept on file and made available to THE CITY staff during sub-recipient monitoring visits and appropriate officials as requested.

D. CONFLICT OF INTEREST

THE ORGANIZATION agrees to abide by the following requirements with respect to conflicts of interest, and covenants that it presently has no interest, direct or indirect, and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Contract. THE ORGANIZATION further covenants that in the performance of this Contract no person having such an interest, direct or indirect, shall be employed or retained by THE ORGANIZATION hereunder. These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of THE ORGANIZATION or of any designated public agencies or sub-recipients that are receiving funds under this program.

E. PROCUREMENT STANDARDS AND METHODS

THE ORGANIZATION shall comply with THE CITY's current policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds herein.

THE ORGANIZATION shall procure all materials, property, or services in accordance with the requirements of Attachment O of OMB Circular A-110, Procurement Standards.

F. VENUE

In the event of a dispute or litigation arising out of said Contract, it is understood and agreed and that this Contract was executed and performed in Williamson County, Tennessee, and as such, it is agreed by both parties that venue of said litigation, including an action for Declaratory Judgment, will be in Williamson County, Tennessee.

G. ASSIGNMENT

Neither THE CITY nor THE ORGANIZATION may assign its rights or delegate its responsibilities under this contract.

H. ENTIRE CONTRACT AND MODIFICATION

The Contract between the parties and supersedes any prior or contemporaneous communications, representations or agreements between the parties, whether oral or written, regarding the subject matter of the entire Contract. The terms and conditions of this Contract may not be changed except by an amendment expressly referencing this Contract by section number and signed by an authorized representative of each party.

If seeking any addition or modification to the Contract, the parties agree to reference the specific paragraph number sought to be changed on any future document or purchase order issued in furtherance of the Contract, however, an omission of the reference to same shall not affect its applicability. In no event shall either party be bound by any terms contained in any purchase order, acknowledgement, or other writings unless: (a) such purchase order, acknowledgement, or other writings specifically refer to the Contract or to the specific clause they are intended to modify; (b) clearly indicate the intention of both parties to override and modify the Contract; and (c) such purchase order, acknowledgement, or other writings are signed, with specific material clauses separately initialed, by authorized representatives of both parties.

I. SEVERABILITY

If any provision of this Contract is held invalid, the remainder of the Contract shall not be affected thereby and all other parts of this Contract shall nevertheless be in full force and effect.

J. TIME OF THE ESSENCE

The parties agree that TIME IS OF THE ESSENCE with respect to the parties' performance of all provisions of the Contract.

K. NO TAXES, NO INTEREST PAYMENTS

As a tax-exempt entity, THE CITY shall not be responsible for sales or use taxes incurred for products or services. THE CITY shall supply THE ORGANIZATION with its Sales and Use Tax Exemption Certificate upon THE ORGANIZATION's request. THE ORGANIZATION shall bear the burden of providing its suppliers with a copy of THE CITY's tax exemption certificate and shall assume all liability for such taxes, if any, that should be incurred. THE CITY does not agree to pay any interest for late payments, having agreed to pay in a timely manner.

L. WAIVER

Neither party's failure or delay to exercise any of its rights or powers under the Contract will constitute or be deemed a waiver or forfeiture of those rights or powers. For a waiver of a right or power to be effective, it must be in writing signed by the waiving party. An effective waiver of a right or power shall not be construed as either (a) a future or continuing waiver of that same right or power, or (b) the waiver of any other right or power.

M. BREACH

Upon deliberate breach of the Contract by either party, the non-breaching party shall be entitled to terminate the Contract without notice, with all of the remedies it would have in the event of termination, and may also have such other remedies as it may be entitled to in law or in equity.

SECTION 8 - SIGNATURES

Attest:

_______________________________ **Date:** _______________________
Dr. **Ken Moore, Mayor**

Approved as to Form:

____
Kristen L. Corn, Assistant City Attorney

THE HOUSING FUND

_______________________________ **Date:** _________________________
Authorized Signature

Exhibit A

Proposal for The City of Franklin
From The Housing Fund

Housing Fund, Inc (THF) is a private, 501(c)(3) organization established to finance affordable housing and neighborhood revitalization projects throughout Middle Tennessee and Allen, Edmonson and Warren counties in Kentucky. Since its incorporation in 1996, THF has assisted over 2,300 first time homebuyers receive $15.3 million in downpayment assistance loans, as well as providing more than $43 million in financing to assist individuals and organizations purchase, rehabilitate, or construct homes for low and moderate income families.
THF is certified by the US Treasury Department as a Community Development Financial Institution (CDFI), and is supported by a variety of public and private resources including investments from financial institutions and corporations, grants from local, state and federal governments, foundations and United Way of Middle Tennessee.

The Housing Fund proposes to provide the following services to the City of Franklin:

- Preparation of the 5 Year Consolidated Plan for Housing and Community Development. The Consolidated Plan is a HUD requirement of Community Development Block Grant (CDBG) participating jurisdictions. The plan, which will be the City's second Consolidated Plan, consists of a housing market analysis, a strategic plan for the CDBG program, and an action plan that outlines the use of CDBG funds for Year 1;
- Preparation of the Consolidated Annual Performance and Evaluation Report (CAPER). The CAPER is the reporting document submitted annually to HUD which presents achievements from the use of previous year CDBG funding.
- Preparation of the Analysis of Impediments to Fair Housing as required by HUD.
- Conduct all public hearings required by HUD and a reasonable number of public meetings requested by the City for completion of the above two documents.
- Provide technical assistance in achieving and maintaining program compliance, including general policies and procedures for CDBG funded projects/programs.
- Provide technical assistance on the monitoring of CDBG subrecipients and on preparing for HUD monitoring of the CDBG program.

Exhibit B

Schedule of Payments

1. Schedule of Payments

THE ORGANIZATION shall submit invoices, including supporting documentation to The City of Franklin on a quarterly basis. With the first quarter beginning July 1, 2015, contingent on the receipt of 2015-2016 Community Development Block Grant funds, and ending September 30, 2015. The first quarterly invoice shall be submitted on or about October 1, 2015. Subsequent quarters shall be billed on or about January 1, 2016, April 1, 2016, and June 30, 2016.

RESOLUTION 2015-67

TO BE ENTITLED: "A RESOLUTION OF THE BOARD OF MAYOR AND ALDERMEN TO SUPPORT THE CREATION OF AN ECONOMIC DEVELOPMENT DISTRICT IN A BLOCK OF DOWNTOWN FRANKLIN"

WHEREAS, the City of Franklin considered the request to support the creation of an economic development district in a block of downtown Franklin by the Harpeth Square developers at its work session on August 11, 2015; and

WHEREAS, the proposal included the designation of two hundred parking spaces in a newly constructed six hundred space garage to be reserved for open public parking open to anyone visiting the downtown area, and

WHEREAS, the proposal requested a public private partnership for funding the garage in a manner roughly proportional to the number of spaces designated for open parking, and

WHEREAS, the City of Franklin would fulfill its contribution to the project by committing a portion of the new taxes from increased property values resulting from the investment of approximately $80 million in building improvements for up to fifteen years, and

WHEREAS, the developers of Harpeth Square would continue to make parking spaces available to the public after the term of the economic development district, even if the spaces became pay-for-use parking, and

WHEREAS, after hearing from the Harpeth Square developers and City staff, the Board of Mayor and Aldermen believe that supporting such a request would be beneficial to the City by providing additional public parking in downtown Franklin.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Mayor and Aldermen for the City of Franklin, the Board of Mayor and Aldermen support the creation of an economic development district in a block of downtown Franklin.

IT IS SO RESOLVED AND DONE on this 25th day of August, 2015.

ATTEST:	CITY OF FRANKLIN, TENNESSEE
By: __________________________	by: __________________________
Eric Stuckey City Administrator	Dr. Ken Moore Mayor

Approved as to form by:

____
Shauna R. Billingsley

City Attorney

HISTORIC
FRANKLIN
TENNESSEE

ECONOMIC IMPACT PLAN
FOR
SECOND AVENUE ECONOMIC DEVELOPMENT AREA

I. Authority for Economic Impact Plan

Industrial development corporations ("IDBs") are authorized under Tenn. Code Ann. § 7-53-312 to prepare and submit to cities and counties an economic impact plan with respect to an area that includes an industrial park within the meaning of Tenn. Code Ann. § 7-53-312 or a project within the meaning of Tenn. Code Ann. § 7-53-101 and such other properties that the IDB determines will be directly improved or benefited due to the undertaking of such industrial park or project. Tennessee Code Annotated § 7-53-312 also authorizes cities and counties to apply and pledge new incremental tax revenues, which arise from the area subject to the economic impact plan, to the IDB to promote economic development, to pay the cost of projects or to pay debt service on bonds or other obligations issued by the IDB to pay the costs of projects.

II. The Project

The project will be a mixed use complex comprised of a boutique hotel, a residential building, a parking garage, and various retail shops and restaurants. It will be located on an approximately 5-acre track composed of fourteen parcels tax map 062. Specific parcels are itemized in Appendix A. The Project Site is located north of East Main Street, west of First Avenue

North, south of Bridge Street, and east of Second Avenue North in downtown Franklin, covering an entire City block. The portion of the Project Site devoted to the parking garage, the garage structure itself, and the furniture, machinery and equipment to be installed therein are herein referred to collectively as the "Project". In order to make the Project financially feasible, The Industrial Development Board of the County of Williamson (the "Board") intends, subject to the approval of the Williamson County Commission and the Board of Mayor and Aldermen of the City of Franklin (the "City"), to engage in tax increment financing pursuant to Title 7, Chapter 53 of Tennessee Code Annotated to provide funds to pay all or a portion of the cost of constructing and equipping the Project. The proceeds of the tax increment financing approved by County and City would be used exclusively to pay a portion of the debt service on borrowing to finance the Project. The Project is an eligible project within the meaning of Tenn. Code Ann. §7-53-101(11)(A)(iv).

III. Boundaries of Plan Area

The Project is located within the commercial area of historic downtown Franklin and is adjacent to other commercial and retail facilities. The area that would be subject to this Economic Impact Plan, and to the tax increment financing provisions described below, includes the Project Site and the properties that will directly benefit from the development of the Project.

The Plan Area includes all tax parcels located in whole or in part within the boundaries of First and Second Avenues North, Bridge Street, and East Main Street, excluding those parcels which are not being renovated or replaced as part of the Project. The area that will be subject to this plan (the "Plan Area") is shown on Exhibit B attached hereto and a list of the tax parcels included in the Plan Area is shown on Exhibit A attached hereto. In the event of any conflict between the general description of the Plan Area described in this paragraph and Exhibits A and B, said Exhibits shall control. The Plan Area is hereby declared to be subject to this Economic Impact Plan, and the Project is hereby identified as the project that will be located within the Plan Area. Within the Plan Area, which has an underlying zone of SD-X (34.17 density/33,650 non-residential footage/115 hotel keys), the City's height overlay, design standards, and planned commercial district regulations will apply. To be a downtown activity center, the City and County seek innovative, world-class design alternatives in an environmentally-friendly, context-sensitive design and sustainable business center developments unique to the City of Franklin.

IV. Financial Assistance to Project

The Board will provide financial assistance to the Project by applying a portion of the proceeds of the tax-increment financing described herein to pay part of the debt service resulting from financing of construction and equipping the Project. The amount that will be made available by the Board for such financial assistance shall be limited to 42% of the potential tax increment, thereby ensuring that all property taxes targeted for education are kept intact. The tax increment will be made available beginning in the second tax year following completion of the construction of the Project, with an amount of $240,000 per year for a maximum of ten years.

V. Expected Benefits to City and County

The Benefits to the Surrounding Properties

The Project will benefit the surrounding properties in five principal methods. First, the redeveloped City block composed of a boutique hotel, residential housing, and retail shops and restaurants, will replace vacant properties and enhance the land valuation of the surrounding parcels. Second, the Project will spur development of adjacent properties between the Project Site and the Public Square, and in the area to the east and south of the Project, including underutilized areas on First Avenue North and South, by providing hotel and meeting space, opportunities for downtown residential expansion, and additional retail and restaurant venues. Third, proposed improvements to the infrastructure in the Project Site area will remediate certain limitations in the water, sewer, storm drainage and roadway capacity that abut the boundaries of the Project Site. Those improvements include sidewalks for connectivity, signalization for traffic flow, upsizing of water and wastewater lines, and lighting for public safety. Completion of the infrastructure improvement will allow better access to many of the parcels and alleviate current traffic dangers that exist along First Avenue and Bridge Street. Fourth, the project will dramatically increase the valuation of the properties within the block being redeveloped, providing a substantial increase in property taxes flowing to the Williamson County Schools and the Franklin Special School District. After completion of the term of the tax increment financing, recurring property taxes will subsequently be generated for the County and City general funds, suppressing the need for tax rate increases on existing properties. Finally, the project will provide almost 600 additional parking spaces in the downtown area. Although much of the parking garage will be used by the new businesses within the Project, a minimum of 200 spaces will be made available for general public use to support businesses in the immediate area.

The Benefits to Williamson County and the City of Franklin

Williamson County stands to benefit in many ways from the Project. The Project itself proposes the addition of up to $100 million in valuation to the tax rolls. The Plan Area generated only $64,215 in County property taxes for 2014, and is expected upon completion of the Project to generate over $640,000 in County property taxes. During the ten-year term of the tax-increment arrangement, $238,560 per year will be set aside to pay a portion of the debt service on the parking garage. The balance of $329,440 will be available to flow to Williamson County in the same proportion now dedicated for school funding. Sales tax, business tax, hotel tax, and a variety of other local taxes and/or fees will be positively affected by the injection of 155 jobs and estimated corporate purchases of over $40 million per year. Existing businesses that support the particular needs of hotel, retail, and residential operations, such as legal, accounting, advertising, marketing, finance and engineering, will be enhanced. The signature buildings that will be viewed by 10,000 or more vehicles per day along the downtown Franklin corridor will create a positive impact on citizens and visitors alike.

One of the largest benefits of the project is the injection of property taxes for education. Although Williamson County will provide the diversion of some new property taxes from the Project, the portion of County property taxes that would normally go to schools will be paid in full. The forecasted amount of revenue that will flow to schools is $329,440 in the first year after expected project completion and totals almost $10 million over a thirty-year term.

The County will also be impacted by taxes and fees generated by the construction project. Impact fees, which are currently assessed for schools, will result from the $100 million construction project. An economic impact study conducted by the Jones College of Business at Middle Tennessee State University found that the two-year construction phase of the Project would have a short-term economic and fiscal impact of $110 million. This is comprised of 220 construction jobs and 157 indirect jobs. The payroll for those jobs would $20 million per year. Total business revenue during the construction period would be $55 million per year for two years, resulting in locals taxes approaching $4 million per year.

The same study showed that, upon completion, the Project would generate a substantial impact from new visitor spending associated with the proposed hotel. The estimate is over $13 million per year in additional direct and indirect wages and salaries, and over $36 million in business revenue. That would generate $280,000 in local sales tax and $373,000 in hotel occupancy taxes.

The City of Franklin also stands to benefit in several ways from the Project. After the period of tax increment financing is completed, the addition to the tax base is expected to generate over $130,000 per year in City property taxes. The Plan Area generated $13,052 in City property taxes for 2014, and is expected upon completion of the Project to generate over $116,000 in City property taxes. Sales tax, business tax, hotel tax, and a variety of other local taxes and/or fees will be positively affected by the injection of 155 jobs and estimated company purchases of over $40 million per year. Impact fees, which are currently assessed for roads, public safety, parks and sanitation, will result from the $70 million construction project. Building permit fees and storm water charges will increase from the construction of the new facility. Existing city providers, such as restaurants, building suppliers, office supply houses, and general merchandise stores will be able to attract additional business from the Project. New businesses, such as legal, accounting, advertising, marketing, finance and engineering, will be attracted to the immediate area.

In an area where transportation infrastructure has been a subject of concern, the citizenry will benefit from a realignment of traffic signalization along Franklin Road & Main Street entering the downtown area. An additional right turn lane will allow traffic to flow through into the First Avenue corridor and avoid some of the backup along Franklin Road.

To support the Project, the developer will add sidewalks and lighting along First Avenue and Bridge Street, and improve the turning radius at the intersection of those streets. For safety, pedestrian crossings will be added. The Project will also construct a regional stormwater detention feature, which will capture and treat large volumes of storm water before releasing it into the Harpeth River.

The Plan Area will be enhanced aesthetically with new buildings in an area that is largely vacant land at this time. The signature buildings within the Project will be viewed by 10,000 or more vehicles per day along the Franklin Road corridor, creating a positive impact on citizens and visitors alike.

As with the Williamson County schools, one of the largest benefits of the project is the injection of property taxes for education. The portion of property taxes that would normally go to the Franklin Special School District will be paid in full. The forecasted amount of revenue that will flow to schools is $335,000 in the first year after expected project completion and totals $10 million over a thirty-year term.

The Intangible Benefits of the Project

One of the intangible benefits of the Project is the quality of space that will be provided in the downtown area. Studies have shown that a boutique hotel in the downtown area is both viable and desirable. Visitors to Williamson County currently have no options to stay in the heart of Franklin. The addition of hotel availability downtown will remedy the current vacuum and provide an alternative for tourists interested in the historic Downtown and family members and guests that are visiting downtown residents. Another benefit is the expansion of residential opportunity in the downtown area. Many of those moving to Williamson County have expressed interest in living in the downtown core but have found few residential opportunities. The residential portion of the Project will address that need and provide up to 143 living spaces for employees whose jobs are in the downtown area. Many of the jobs that will be created by the Project are service industry jobs with low skill positions. However, the continuing commercial interests in the downtown area may create jobs that greatly benefit the dynamics of our increasing exposure to health care, financial, automotive, and design professions. A portion of the workforce for those jobs will, undoubtedly, wish to live close to their employment, avoiding daily commuting and also enjoying the shops and restaurants of downtown Franklin.

Estimates of the average wage for the newly created jobs range from $27,000 to $96,000 per year. The types of skills required by these jobs would provide career paths for many of our citizens and their children.

Diversification of employment is another intangible. A mixed use facility like Harpeth Square allows the City and the County an opportunity to achieve some diversification of employment. This is healthy for the workforce in general, giving a wider variety of employment opportunities; diversification also ensures that losses in a single industry will not adversely affect the area as severely as they would otherwise.

The selection of an upscale, boutique hotel will give downtown Franklin and Williamson County another hotel and residential offering not available in many other locales. It reinforces the fact that Middle Tennessee is a terrific place to do business and that, in all of middle Tennessee, Williamson County is the most ideal environment. When searching for boutique hotels, every tourist or company travel agent will see the location: Franklin, Tennessee.

VI. Distribution of Property Taxes and Tax Increment Financing

a. Distribution of Taxes. Property taxes, including personal property taxes, imposed by the County and City on the property located within the Plan Area shall be allocated and distributed as provided in this subsection. The taxes assessed by the County on the real and personal property within the Plan Area will be distributed as follows in accordance with Tenn. Code Ann. § 7-53-312(c):

i. The portion of the real and personal property taxes that were payable with respect to the Plan Area for the year prior to the date of approval of this Economic Impact Plan (the "Base Tax Amount") shall be allocated to and, as collected, paid to the County and City as all other taxes levied by the jurisdiction on all other properties; provided, however, that in any year in which the taxes on the property within the Plan Area are less than the Base Tax Amount, there shall be allocated and paid to the County and City only the taxes actually imposed.

ii. The excess of real and personal property taxes over the Base Tax Amount (the "TIF Revenues") shall be, as collected, paid into a separate fund of the Board, created to hold such payments until the tax proceeds in the fund are to be applied to pay debt service on the obligations (including any interest rate swap agreement) expected to be issued by the Board to pay the costs of acquiring the Project Site.

b. TIF Obligations. In order to pay for all or a portion of the costs of acquiring the Project Site, the Board intends to use the TIF Revenues to pay debt service on obligations (including any interest rate swap agreement) incurred to finance such costs. This tax increment financing will be structured as follows:

i. The Board, in conjunction with the developer, will arrange financing for a parking garage of not to exceed $10,000,000 through the issuance and sale of notes, bonds or other obligations of the Board and lease the facility to the developer. The Board shall pledge any and all TIF Revenues allocated to the Board pursuant to the specifications of this Economic Impact Plan to the payment of such notes, bonds or other obligations.

ii. The proceeds of the notes, bonds or obligations shall be used to pay all or a portion of the costs of acquiring and constructing the garage, together with expenses of the Board in connection with the Project and the tax increment financing for a maximum period of ten (10) years from the date of completion of the Project.

c. Time Period. Taxes on the real and personal property within the Project Area will be distributed as provided in this Section of the Economic Impact Plan for a period equal to the lesser of (a) the period that the tax increment financing described above is outstanding or (b) ten (10) years.

d. Qualified Use. The Board and the County and City, by the adoption of this Plan find that the use of the TIF Revenues as described herein is in furtherance of promoting economic development in the City and that costs to be financed as described herein are costs of the Project.

VII. Approval Process

Pursuant to Tenn. Code Ann. § 7-53-312, the process for the approval of this Economic Impact Plan is as follows:

a. The Board holds a public hearing relating to the proposed Economic Impact Plan after publishing notice of such hearing in a newspaper of general circulation in the County at least two (2) weeks prior to the date of the public hearing. The notice must include the time, place and purpose of the hearing as well as notice of how a map of the subject area may be viewed by the public. Following such public hearing, the Board may submit the Economic Impact Plan to the County and City for its approval.

b. The governing body of the County and City must approve the Economic Impact Plan. The Economic Impact Plan may be approved by resolution of the governing body, whether or not the local charter provisions of the governing body provide otherwise.

c. Once the Economic Impact Plan has been approved by the governing bodies, the clerk or other recording official of the County and City shall transmit the following to the appropriate tax assessors and taxing agency affected: (a) a copy of the description of the property within the Plan Area, and (b) a copy of the resolution approving the Economic Impact Plan.

Exhibit A
Parcels Proposed for Project Area

Parcel ID	Street Number	Property Address	OWNER	improvement value	land market value	total market value	City PT REVENUE	County PT REVENUE	FSSD PT REVENUE	Total Property Tax
078C-D-02300	107	First Avenue N	Shuff Family Partnership	$247,600	$320,000	$567,600	$923	$4,541	$2,219	$7,683
078C-D-02301	109	First Avenue N	Harpeth Associates LLC	$55,500	$310,000	$365,500	$594	$2,924	$1,429	$4,947
078C-D-02200	133	First Avenue N	Henry Well Drilling	$41,500	$250,000	$291,500	$474	$2,332	$1,140	$3,946
078C-D-02400	104	E Main St	Republican HQ	$168,200	$150,000	$318,200	$517	$2,546	$1,244	$4,307
078C-D-02600	114	Main St	Tomlin Family Properties	$334,100	$255,000	$589,100	$958	$4,713	$2,303	$7,974
078C-D-01300	198	Main St	Bob Parks	$1,092,600	$1,440,000	$2,532,600	$4,118	$20,261	$9,902	$34,281
078C-D-01400	112	Second Avenue N	Harpeth Associates LLC	$287,300	$169,000	$456,300	$742	$3,650	$1,784	$6,176
078C-D-01500	122	Second Avenue N	Jaymar Development LLC	$0	$1,000,000	$1,000,000	$1,626	$8,000	$3,910	$13,536
078C-D-01600	134	Second Avenue N	Danmark Company	$280,000	$639,000	$919,000	$1,494	$7,352	$3,593	$12,440
078C-D-01700	142	Second Avenue N	Pat Hayes	$237,500	$154,000	$391,500	$637	$3,132	$1,531	$5,299
078C-D-01800	144	Second Avenue N	Entrust Tennessee Inc	$172,800	$125,000	$297,800	$484	$2,382	$1,164	$4,031
078C-D-02000	111	Bridge Street	Sharon R Haynes	$136,800	$161,000	$297,800	$484	$2,382	$1,164	$4,031
				$0	$0	$0	$0	$0	$0	$0
			Current state (as of 2015)	**$3,053,900**	**$4,973,000**	**$8,026,900**	**$13,052**	**$64,215**	**$31,385**	**$108,652**
			Taxes at full build out			**$80,000,000**	**$130,080**	**$640,000**	**$335,200**	**$1,105,280**
			Less garage			$9,000,000				
			Net Taxes at full build out			**$71,000,000**	**$115,446**	**$568,000**	**$277,468**	**$960,914**
			Tax % non-exempt				**42%**	**42%**	**0%**	
			Available for Tax Increment Financing				**$48,487**	**$238,560**	**$0**	**$287,047**

Exhibit A
Parcels Proposed for Project Area

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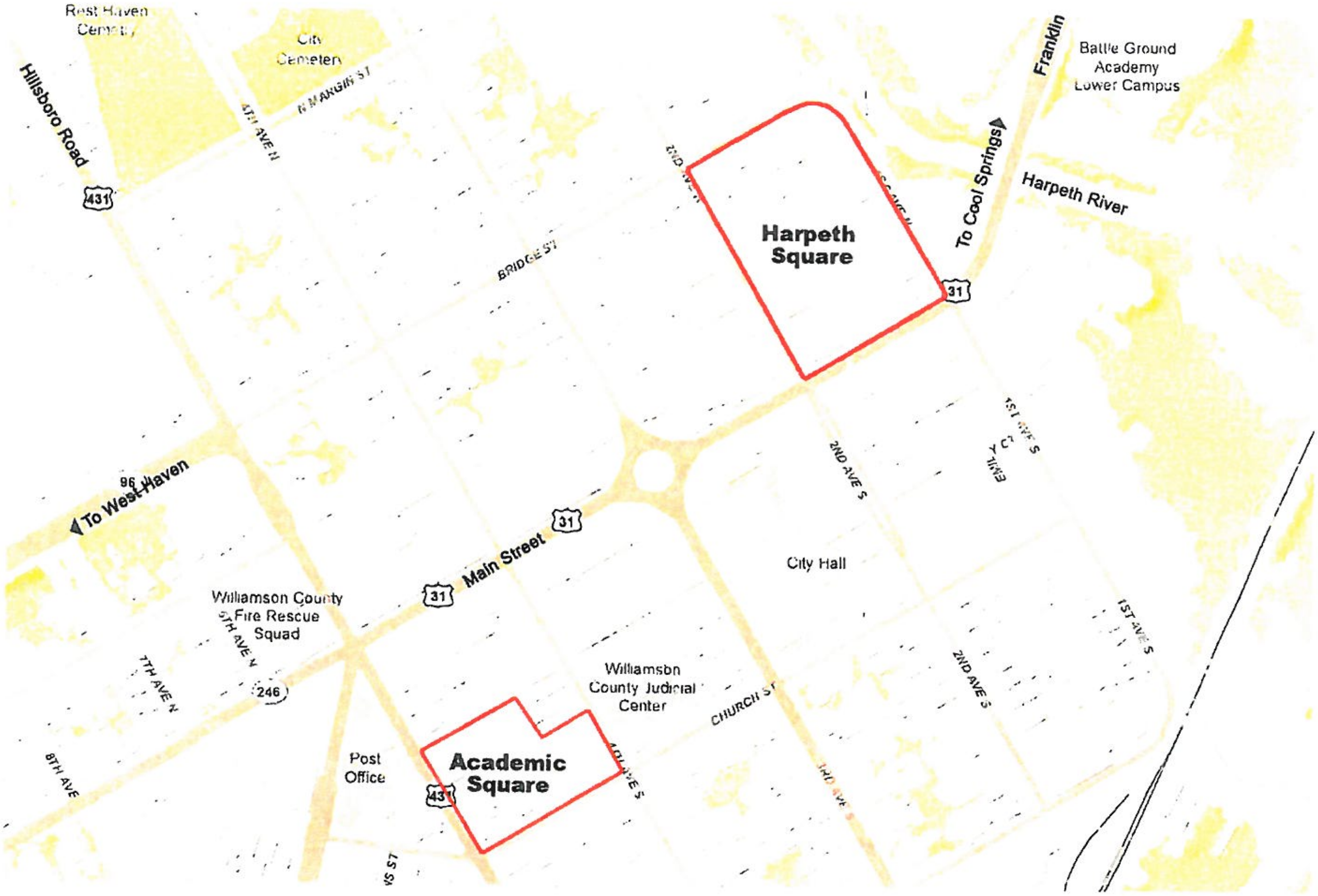
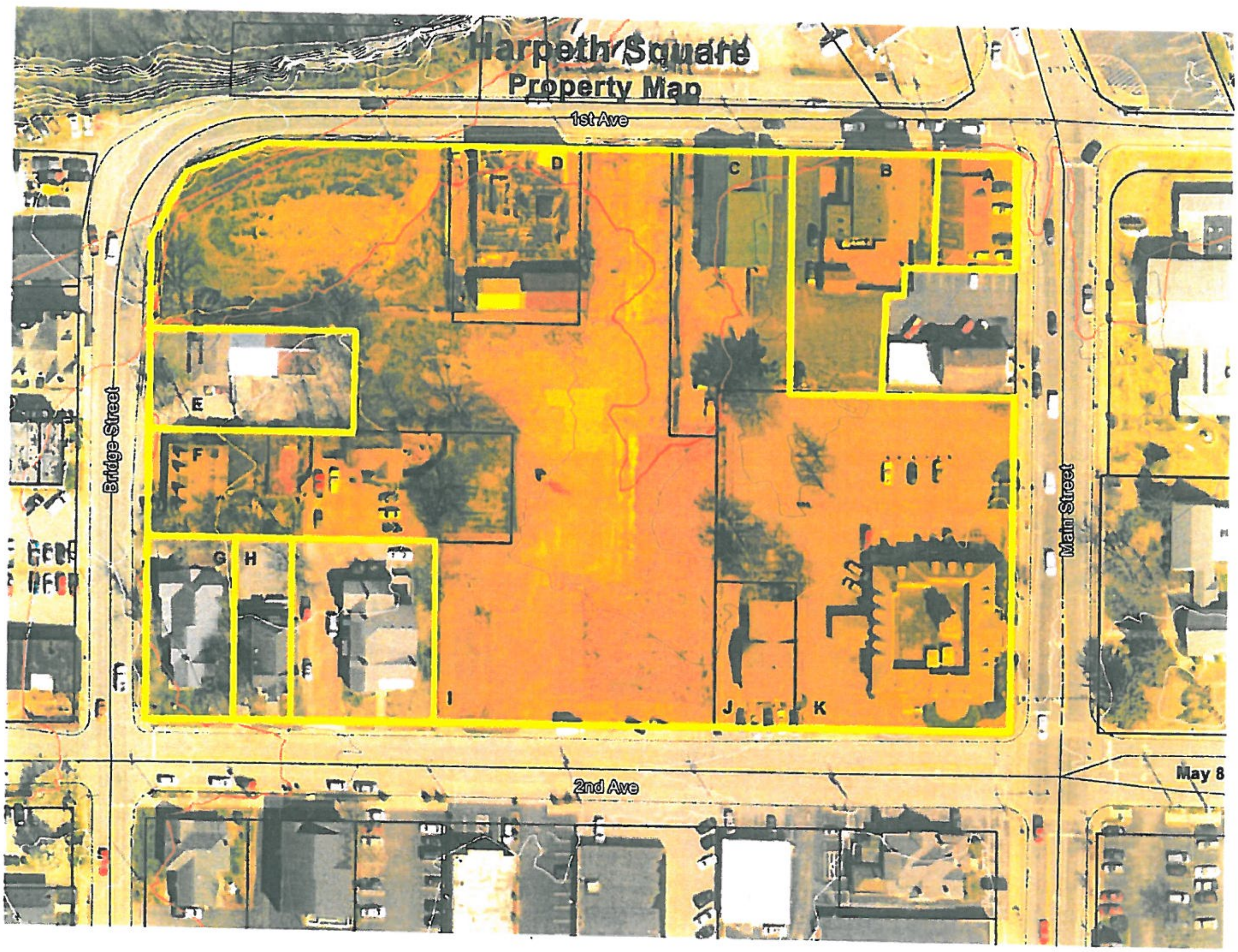
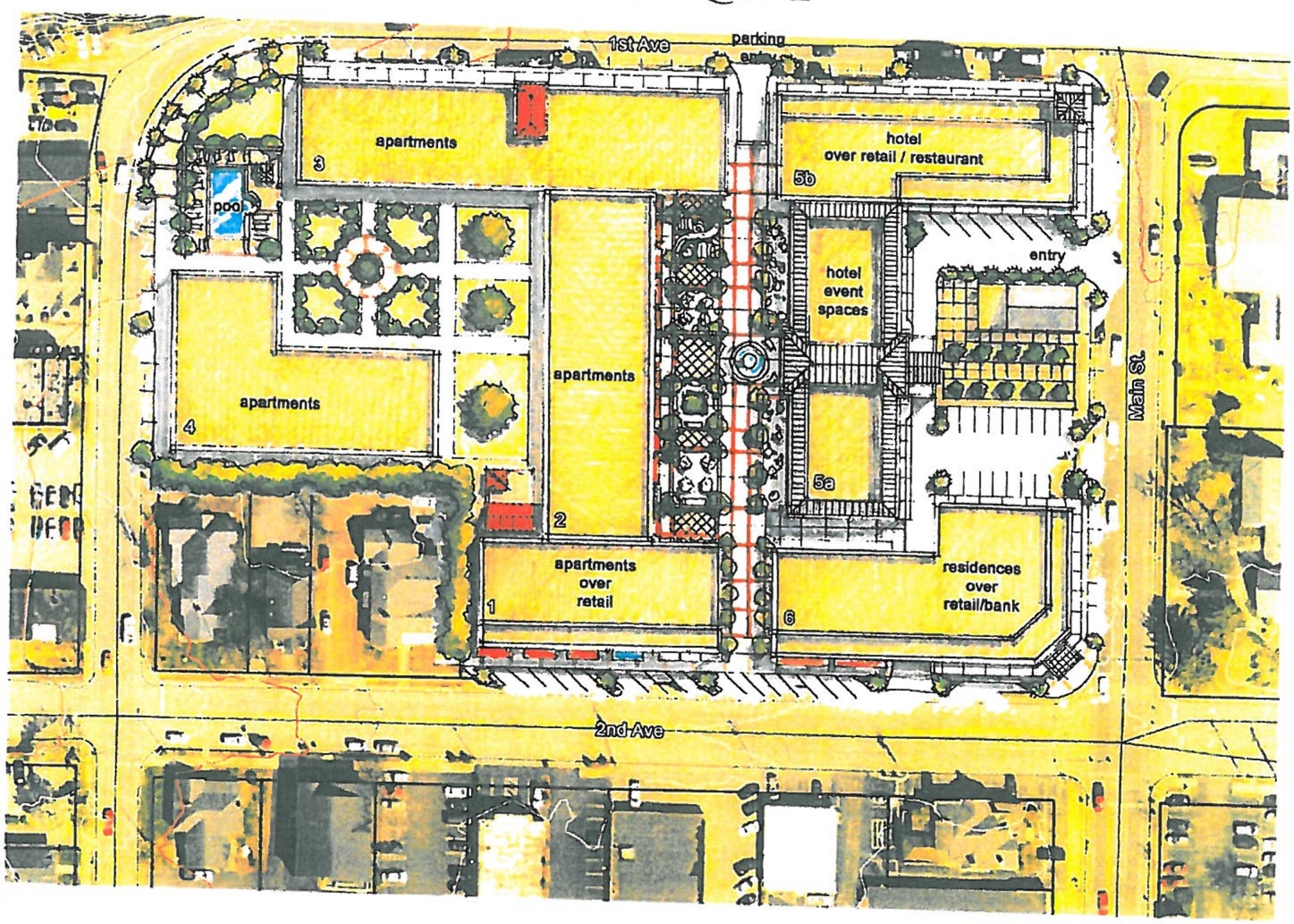
078C-D-01800	144	Second Avenue N	Entrust Tennessee Inc	$172,800	$125,000	$297,800	$484	$2,382	$1,164	$4,031
078C-D-02000	111	Bridge Street	Sharon R Haynes	$136,800	$161,000	$297,800	$484	$2,382	$1,164	$4,031
				$0	$0	$0	$0	$0	$0	$0
			Current state (as of 2015)	**$3,053,900**	**$4,973,000**	**$8,026,900**	**$13,052**	**$64,215**	**$31,385**	**$108,652**
			Taxes at full build out			**$80,000,000**	**$130,080**	**$640,000**	**$335,200**	**$1,105,280**
			Less garage			$0				
			Net Taxes at full build out			**$80,000,000**	**$130,080**	**$640,000**	**$312,640**	**$1,082,720**
			Tax % non-exempt				**42%**	**42%**	**0%**	
			Available for Tax Increment Financing				**$54,634**	**$268,800**	**$0**	**$323,434**

HISTORIC DOWNTOWN FRANKLIN



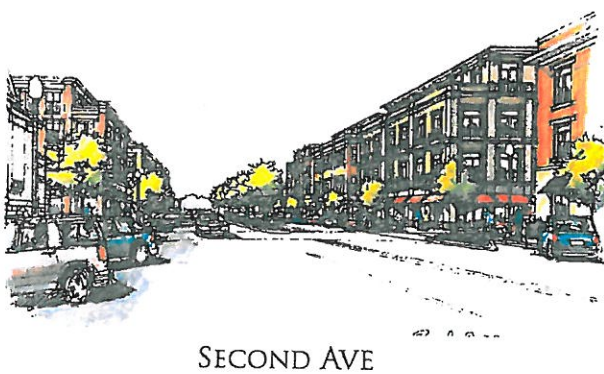

Harpeth Square
Property Map
1st Ave
2nd Ave
Bridge Street
Main Street
May 8
A
B
C
D
E
F
G
H
I
J
K

Harpeth Square

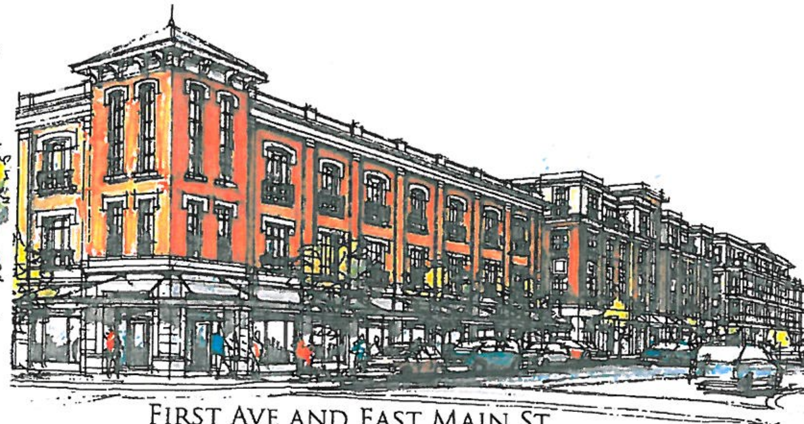


SECOND AVE AND EAST MAIN ST

PLAZA ENTRANCE



SECOND AVE



FIRST AVE AND EAST MAIN ST

THE TENNESSEAN

April 24, 2013

Big plans for hotel, retail, more could reshape downtown Franklin

Project depends on city's commitment to build river walk, parking structure

By Kevin Walters
| The Tennessean

Nearly an entire city block of downtown Franklin near the Harpeth River could get a more than $80 million boost next spring if developers can build a mixed-use development anchored by a boutique hotel, and the city can raise money to construct a miles-long river walk and add hundreds of parking spaces.

The property has been staked since 2001 in a vacant two-acre Second Avenue lot. Developers at Harpeth Associates LLC stepped up their buying pace last year along First and Second avenues between Main and Bridge streets while raising questions and speculation among neighboring landowners.

The site is just a block from Franklin's picturesque town square, but at present is anything but picturesque.

"The missing link in downtown Franklin was between the (Public) Square and the river," said Joel Tomlin, owner of Landmark Booksellers, who sold part of his land to the group. "If you look over this block right now, you've got a mish-mash of older buildings. ... In my opinion it will be a huge improvement."

So far, the group owns five parcels, including the Cadence Bank building and Henry Drilling Co., or about 90 percent of the block totaling about 4.5 acres or 193,000 square feet.

Next, Harpeth Associates LLC principals Rod Heller and Jay Franks will meet with city leaders to gauge support for what would be the largest private investment seen in downtown Franklin in decades.

While their plans are drawing early support from merchants and city officials, they come at a daunting time for Franklin leaders, who face numerous expensive spending choices about upgrading city infrastructure in the next year.

In an exclusive interview with The Tennessean, Heller and Franks said their plan will ensure continued interest in Franklin's historic downtown as growth ramps up in the city's commercial areas along Interstate 65, north in Cool Springs and further south in Berry Farms.

"Franklin, to us, is a totally unique place," said Heller, who was instrumental in supporting the city's Civil War park near Carnton Plantation. "My fear is that Franklin, if it's not careful, is going to be swallowed up by Cool Springs and Berry Farms. It needs to retain its separate identity and vitality as an entity. I think having this hotel and residential component will help do it."

City has been biggest investor

For years, improvements in Franklin's 15-block downtown area have won national attention and accolades, though new, wide-scale private investment in the area has not been as prevalent as public investment.

For example, the city has spent about $8 million on recent streetscape improvements and is spending millions more widening and beautifying Hillsboro Road and extending Third Avenue.

Harpeth Associates' plan would potentially overhaul an entire block that today has a vacant lot as its most striking characteristic.

Developers say they can attract a boutique hotel developer to their site, build 225 new condominiums and apartments and pair them with a 40,000- to 50,000-square-foot retail space and a new restaurant. The entire development, which would start next spring, would fit downtown's historic style.

A longtime Franklin builder and developer, Franks, who acquired the first two acres in 2001, said the project would be a decades-long investment for Harpeth Associates.

"Most of the developers are looking for three or four years and making a return, and getting out of it and moving to the next," Franks said. "(Heller's) insistence from day one has been, 'What do you want Franklin to be 20 to 25 years out?' "

Mary Pearce, executive director of the Heritage Foundation of Franklin and Williamson County, sees the Second Avenue development as having an impact on downtown that's similar to the first "streetscape" project that revitalized Main Street.

"It has all the elements of that kind of a project coming together and that has a tremendous impact," Pearce said.

City must participate

But Heller and Franks say they will hold off making any further investment until they get a financial commitment from Franklin.

They want Franklin to build a river walk along a roughly five-mile portion of the Harpeth River, starting near Carnton Plantation and following the river through downtown Franklin near Second Avenue and going on to Bicentennial Park. Additionally, they want the city to commit to adding 500 public parking spaces.

There are no cost estimates for those projects, but a 336-space, city-owned garage on Fourth Avenue cost $4 million when it opened in 2004.

Though city officials like Mayor Ken Moore and Alderman Margaret Martin expressed their early interest, they tempered their enthusiasm because of the unknowns about what a river walk and new parking structure might cost.

Calling the Harpeth River "an underutilized asset," Moore said a river walk would bring people more in contact with a local natural resource, though he wants more details about its cost.

"I'm willing to explore increasing the parking in downtown Franklin, and I certainly have an interest in a river walk," Moore said.

Before Franklin spends any money, the city must complete a cost analysis to determine what it would gain in new jobs as well as property and sales taxes for investing so heavily, said Tom Frye, CBRE commercial real-estate managing director.

"What kind of tax revenues are they going to get from this? What's this thing going to cost us over time?" Frye said.

City Administrator Eric Stuckey raised the idea of creating a tax-increment financing deal, if possible, that would set aside a portion of future taxes from the new development to help pay for a new parking structure.

But Stuckey said he was still gathering details about the project and how a deal might be structured.

"Whenever you have serious developers looking at an investment of that magnitude, that's something that captures your interest and you want to work through the process," Stuckey said.

Harpeth Associates probably will make a presentation about the Second Avenue development in May or June.

Additional Facts

About the project

Harpeth Associates LLC proposal includes:
- 100-room boutique hotel that "will reflect the unique, historic nature" of Franklin
- More than 225 residential units mixing condominiums and apartments
- More than 40,000 square feet of retail
- Project costs (yet to be finalized) between \$80 million and \$90 million

RESOLUTION 2015-85
A RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND PAYMENT OF WATER SYSTEM REVENUE BONDS OF THE CITY OF FRANKLIN, TENNESSEE AND MAKING PROVISION FOR THE OPERATION OF THE MUNICIPALITY AND THE COLLECTION AND DISPOSITION OF ITS REVENUES.

BE IT RESOLVED by the Board of Mayor and Aldermen of the City of Franklin, Tennessee, as follows:

1. Authority; Findings.

a. The City of Franklin, Tennessee (the "Municipality") is duly incorporated pursuant to Chapter 79 of the 1903 Private Acts of Tennessee, as amended.

b. The Municipality owns and operates a water system (the "System").

c. Sections 7-34-101, *et seq.,* (the "Act") authorizes the Municipality to issue bonds and use the proceeds to finance extensions and improvements to the Municipality's System and pay costs of issuance in connection with the issuance of such bonds.

d. The Board of Mayor and Aldermen of the Municipality finds that it is advisable to issue bonds to finance extensions and improvements to the System payable solely from the Net Revenues (as defined herein) of the System.

2. Definitions. The following terms shall have the following meanings in this Resolution unless the text expressly or by necessary implication requires otherwise:

a. "Acquired System" shall mean any water procurement, treatment, storage or distribution system acquired by the Municipality pursuant to the Act.

b. "Act" shall have the meaning ascribed in Section 1.

c. "Balloon Indebtedness" shall mean any bonds, notes or other indebtedness, other than Short-Term Indebtedness, 25% or more of the initial principal amount of which matures (or must be redeemed at the option of the holder) during any twelve month period, if such 25% or more is not to be amortized to below 25% by mandatory redemption prior to the beginning of such twelve month period. Any Balloon Indebtedness that is considered to be "balloon indebtedness" for purposes of Tennessee Code Annotated, 9-21-134 must be approved by the Director of State and Local Finance of the Office of the Tennessee Comptroller of the Treasury prior to the adoption of a supplemental resolution authorizing such balloon indebtedness unless such balloon indebtedness qualifies for an exception to Tennessee Code Annotated, 9-21-134.

d. "Bond Fund" shall mean the Principal and Interest Sinking Fund established herein.

e. "Bonds" means the Series 2015 Bonds and any Parity Bonds.

f. "Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository, or to its nominee as registered owner, with the certificate of bonds being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than the Municipality or the Registration Agent, constitute the written record that identifies, and records the transfer of, the beneficial "book-entry" interests in those bonds.

g. "Capital Appreciation Bonds" shall mean bonds which bear interest at a stated interest rate of 0.0% per annum, have a value on any applicable date equal to the Compound Accreted Value thereof on that date, and are payable only at maturity or earlier redemption.

h. "Chief Financial Officer" means the Municipality's Assistant City Administrator and Finance & Administration/CFO.

i. "City Administrator" means the Municipality's City Administrator/Recorder.

j. "Code" means the Internal Revenue Code of 1986, as amended, and any lawful regulations promulgated or proposed thereunder.

k. "Compound Accreted Value" shall mean the value at any applicable date of any Capital Appreciation Bonds computed as the original principal amount thereof for each maturity date plus an amount equal to interest on said principal amount (computed on the basis of a 360-day year of twelve 30-day months) compounded semiannually on such dates as shall be established by the resolution authorizing Capital Appreciation Bonds, from the dated date to said applicable date at an interest rate which will produce at maturity the Maturity Amount for such maturity date.

l. "Credit Facility" means any municipal bond insurance policy, letter of credit, surety bond, line of credit, guarantee, or other agreement under which any person other than the Municipality provides additional security for any Bonds and guarantees timely payment of or purchase price equal to the principal of and interest on all or a portion of any Bond and shall include any Reserve Fund Credit Facility.

m. "Current Expenses" means expenses incurred by the Municipality in the operation of the System, determined in accordance with generally accepted accounting principles; provided however that depreciation, amortization and interest on any bonds, notes or other obligations of the Municipality shall be excluded from the definition of Current Expenses.

n. "Debt Service Requirement" means the total principal, Maturity Amounts and interest coming due, whether at maturity or upon mandatory redemption (less any amount of interest that is capitalized and payable with the proceeds of debt on deposit with the Municipality or any paying agent for the Bonds or other obligations of the Municipality), for any period of 12 consecutive calendar months for which such a determination is made, provided:

(a) The Debt Service requirement with respect to Variable Rate Indebtedness shall be determined as if the variable rate in effect at all times during future periods equaled, at the option of the Municipality, either (A) the average of the actual variable rate which was in effect (weighted according to the length of the period during which each such variable rate was in effect) for the most recent 12-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a 12-month period), or (B) the current average annual fixed rate of interest on securities of similar quality having a similar maturity date, as certified by a Municipal Advisor.

(b) For the purpose of calculating the Debt Service Requirement on Balloon Indebtedness and Short Term Indebtedness, at the option of the Municipality, (i) the actual principal and interest on such Balloon Indebtedness and Short Term Indebtedness shall be included in the Debt Service Requirement, subject to the other assumptions contained herein, or (ii) such Balloon Indebtedness and Short Term Indebtedness shall be assumed to be amortized in substantially equal annual amounts to be paid for principal and interest over an assumed amortization period of 20 years at an assumed interest rate (which shall be the interest rate certified by a Municipal Advisor to be the interest rate at which the Municipality could reasonably expect to borrow the same amount by issuing bonds with the same priority of lien as such Balloon Indebtedness and Short Term Indebtedness and with a 20-year term); provided, however, that if the maturity of such Balloon Indebtedness is in excess of 20 years from the date of issuance, then such Balloon Indebtedness shall be assumed to be amortized in substantially equal annual amounts to be paid for principal and interest over an assumed amortization period of years equal to the number of years from the date of issuance of such Balloon Indebtedness to maturity and at the interest rate applicable to such Balloon Indebtedness; provided further that this paragraph (b) shall not be applicable for purposes of determining the Municipality's Debt Service Requirement for purposes of Section 13(e) of this resolution (Rate Covenant) unless the Municipality has set aside sufficient funds for the retirement of, or the Municipality's Governing Body has adopted a resolution directing the refinancing of, at least 90% of the principal amount of such Balloon Indebtedness or Short Term Indebtedness coming due in the relevant Fiscal Year.

o. "Defeasance Obligations" shall mean any obligations which at the time of the purchase thereof are permitted investments under the Act or other applicable Tennessee law for the purpose of defeasing Bonds.

p. "Depository" means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC.

q. "DTC" means the Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns.

r. "Financial Guaranty Agreement" shall mean any Financial Guaranty Agreement authorized herein to be executed in connection with a Reserve Fund Credit Facility.

s. "Fiscal Year" means the fiscal year adopted by the Municipality from time to time with respect to the System.

t. "Governing Body" means the Board of Mayor and Aldermen of the Municipality.

u. "Gross Earnings" means all revenues, rentals, earnings and income of the Municipality from whatever source, determined in accordance with generally accepted accounting principles, including all revenues derived from the operation of the System and all amounts realized from the investment of funds of the System (excluding any investment earnings from construction or improvement funds created for the deposit of bond proceeds pending use, to the extent such income is applied to the purposes for which the bonds were issued, and funds created to defease any outstanding obligations of the Municipality); provided, however, at the election of the Governing Body, the term "Gross Earnings" as used herein shall not include any revenues, rentals, earnings or other income received by the Municipality from the operation of an Acquired System, and any bonds or other obligations issued in connection with such Acquired System shall not be payable from or secured by Net Revenues or be deemed to be Parity Bonds.

v. "Loan Agreement" shall mean any agreement or contract entered into by the Municipality whereby a third party agrees to advance funds to the Municipality and the Municipality agrees to repay those funds with interest.

w. "Maturity Amount" shall mean the Compound Accreted Value on the stated maturity date of a Capital Appreciation Bond.

x. "Maximum Annual Debt Service Requirement" means the maximum annual Debt Service Requirement for any Fiscal Year of the Municipality.

y. "Municipal Advisor" means an investment banking or Municipal Advisory firm, commercial bank, or any other person who or which is retained by the Municipality for the purpose of passing on questions relating to the availability and terms of specified types of debt obligations or the financial condition or operation of the System and is actively engaged in and, in the good faith opinion of the Municipality, has a favorable reputation for skill and experience in providing municipal advisory services of the type with respect to which the Municipal Advisor has been retained. With respect to the issuance of the Series 2015 Bonds, the Municipal Advisor for the Municipality shall mean Public Financial Management, Inc.

z. "Municipality" shall have the meaning ascribed in Section 1.

aa. "Net Revenues" shall mean Gross Earnings, excluding any profits or losses on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets, less Current Expenses.

bb. "Parity Bonds" means bonds, notes, Loan Agreements, and other debt obligations, including Balloon Indebtedness, Short Term Indebtedness and Variable Rate Indebtedness, issued or entered into by the Municipality on a parity with the Series 2015 Bonds herein authorized in accordance with the restrictive provisions hereof, including any bonds or other obligations secured by a pledge of and/or lien on an Acquired System and the revenues derived from the operation of such Acquired System (provided such pledge and lien are subject only to normal and customary expenses of operating, maintaining, repairing and insuring any such System), so long as the Acquired System is not being operated separately from the System as is permitted herein or the revenues from such Acquired System are not excluded from Gross Earnings.

cc. "Mayor" means the duly elected and acting Mayor of the Municipality, or any other member of the Governing Body acting in the capacity of the Mayor when the elected and acting Mayor is unavailable or incapable of acting.

dd. "Prior Lien Obligations" means the Municipality's outstanding Sewer and Water Revenue and Tax Refunding Bonds, Series 2005, dated March 30, 2005, maturing April 1, 2016 through April 1, 2025, inclusive; its outstanding Sewer and Water Revenue and Tax

Refunding Bonds, Series 2011, dated September 29, 2011, maturing May 25, 2026; two Revolving Fund Loan Agreements, each dated October 26, 2009, among the Municipality, the Tennessee Department of Conservation and the Tennessee Local Development Authority.

ee. "Projects" means extensions and improvements to the System.

ff. "Rating" means a rating in one of the categories by a Rating Agency, disregarding pluses, minuses, and numerical gradations.

gg. "Rating Agencies" or "Rating Agency" means Fitch, Moody's, and Standard & Poor's or any successors thereto and any other nationally recognized credit rating agency.

hh. "Registration Agent" means _____________, __________, Tennessee, as registration and paying agent for the Bonds, or any successor designated by the Governing Body.

ii. "Reserve Fund" shall mean the Debt Service Reserve Fund established herein.

jj. "Reserve Fund Credit Facility" means a municipal bond insurance policy, surety bond, letter of credit, line of credit, guarantee or other agreement provided by a Reserve Fund Credit Facility Issuer which provides for payment of amounts equal to all or any portion of the Reserve Fund Requirement in the event of an insufficiency of moneys in the Bond Fund to pay when due principal of and interest on all or a portion of the Bonds.

kk. "Reserve Fund Credit Facility Issuer" means the issuer of a Reserve Fund Credit Facility rated, at the time at which such Reserve Fund Credit Facility is purchased, not less than the second-highest rating category (without regard to gradations within such category) by each Rating Agency that rates such Reserve Fund Credit Facility Issuer and which also rates any Bonds secured by such Reserve Fund Credit Facility.

ll. "Reserve Fund Requirement" means an amount determined from time to time by the Municipality as a reasonable reserve, if any, for the payment of principal of and interest on a series of Bonds pursuant to the resolution authorizing such Bonds. With respect to the Series 2015 Bonds authorized herein, there shall be no Reserve Fund Requirement until such time as the Municipality shall have failed, for two consecutive Fiscal Years, to produce Net Revenues sufficient to satisfy the rate covenant test set forth in Section 13(e), but assuming solely for this purpose that the 125% coverage requirement of Section 13(e)(2)(a) is instead read as a 150% coverage requirement. At such time and from time to time thereafter, the Reserve Fund Requirement with respect to the Series 2015 Bonds shall be the least of (a) 10% of the original stated principal amount of the Series 2015 Bonds; (b) the remaining Maximum Annual Debt Service Requirement on the Series 2015 Bonds, on a Fiscal Year basis; or (c) 125% of the remaining average Debt Service Requirement on the Series 2015 Bonds, on a Fiscal Year basis; and shall be funded as set forth in Section 12(b)(4) hereof.

mm. "Revenue Fund" shall mean the Revenue Fund established herein.

nn. "Series 2015 Bonds" means not to exceed $XXXXXX in aggregate principal amount of revenue bonds, authorized to be issued by this Resolution.

oo. "Short Term Indebtedness" means bonds, notes, Loan Agreements or other debt obligations maturing five years or less from their date of issuance, issued by the Municipality as Parity Bonds pursuant to the terms hereof.

pp. "State" means the State of Tennessee.

qq. "Subordinate Lien Bonds" means bonds, notes, Loan Agreement or other debt obligations issued pursuant to this Resolution but with a lien subordinate to the Bonds.

rr. "System" shall have the meaning ascribed in Section 1, and shall include all facilities hereafter acquired, constructed or otherwise established, together with and including all properties of every nature hereafter owned by the Municipality, including all improvements and extensions made by the Municipality while the Bonds remain outstanding, and including all real and personal property of every nature comprising part of or used or useful in connection with the foregoing, and including all appurtenances, contracts, leases, franchises, and other intangibles; provided, however, at the election of the Governing Body, an Acquired System may be included within the System as defined herein and become a part thereof or, at the election of the Governing Body, not become a part of the System but be operated as a separate and independent system by the Governing Body with the continuing right, upon the election of the Governing Body, to incorporate such separately Acquired System within the System.

ss. "Variable Rate Indebtedness" means any Parity Bonds, the interest rate on which is subject to periodic adjustment, at intervals, at such times and in such manner as shall be determined by resolution authorizing such Parity Bonds; provided that if the interest rate shall have been fixed for the remainder of the term thereof, it shall no longer be Variable Rate Indebtedness.

3. Authorization and Terms of the Series 2015 Bonds.

a. General Terms. The Governing Body hereby authorizes the issuance of a series of revenue bonds of the Municipality in an aggregate principal amount up to $XXXXXX.

1) The Bonds shall be issued to:

a) finance the Projects; and

b) pay bond issuance costs.

2) The bonds shall be known as "Water System Revenue Bonds, Series 2015" or such other name as may be selected by the Mayor.

3) The Series 2015 Bonds shall be dated the date of their delivery.

4) The Series 2015 Bonds shall bear interest payable semi-annually on each _________ 1 and _________ 1, commencing ________ 1, 2016, at a rate not to exceed the maximum interest rate permitted by applicable Tennessee law.

5) Principal on the Series 2015 Bonds shall be payable annually on the first day of ________, commencing __________ 1, 201_ and ending no later than _______ 1,

____. The Mayor shall determine the actual schedule of principal amortization and set it forth in the certificate awarding the sale of the Series 2015 Bonds.

b. Optional Redemption. The Series 2015 Bonds shall be subject to redemption on __________1, 202_, in whole or in part, at a redemption price of par plus accrued interest to the date of redemption. If less than all the Series 2015 Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Governing Body in its discretion. If less than all of the Series 2015 Bonds within a single maturity shall be called for redemption, the Series 2015 Bonds within the maturity to be redeemed shall be selected as follows:

1) if the Series 2015 Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Series 2015 Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

2) if the Series 2015 Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series 2015 Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

c. Mandatory Redemption. The Mayor is authorized to sell the Series 2015 Bonds, or any maturities thereof, as term bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the Mayor. In the event any or all of the Series 2015 Bonds are sold as term bonds, the Municipality shall redeem term bonds on redemption dates corresponding to the maturity dates set forth herein, in aggregate principal amounts equal to the maturity amounts set forth herein for each redemption date, as such maturity amounts as shall be set forth in the Bond Purchase Agreement, at a price of par plus accrued interest thereon to the date of redemption. The term bonds to be so redeemed shall be selected in the manner described in subsection (b) above. At its option, to be exercised on or before the 45th day next preceding any such mandatory redemption date, the Municipality may (i) deliver to the Registration Agent for cancellation Series 2015 Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Series 2015 Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Series 2015 Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Municipality on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Series 2015 Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Municipality shall on or before the 45th day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

d. Redemption Notices. Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the Municipality not less than 30 nor more than 60 days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Series 2015 Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Series 2015 Bond registration records of the Registration Agent as of the date of the notice. Failure to mail such notice or any defect in any such notice so mailed shall not affect the sufficiency of the proceedings for redemption of any of the Series 2015 Bonds for which proper notice was given, and failure of any owner to receive such notice if properly given in the manner described above shall not affect the validity of the proceedings of the redemption of the Series 2015 Bonds held by such owner. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Series 2015 Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Series 2015 Bonds, as and when above provided, and neither the Municipality nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the Municipality pursuant to written instructions from an authorized representative of the Municipality (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein and in the Bond Purchase Agreement) given at least 45 days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Series 2015 Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the Municipality to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

e. Registration of Bonds. The Series 2015 Bonds shall be issued in fully registered, book-entry form, without coupons. The Municipality hereby authorizes and directs the Registration Agent so appointed to maintain Series 2015 Bond registration records with respect to the Series 2015 Bonds, to authenticate and deliver the Series 2015 Bonds as provided herein, either at original issuance or upon transfer, to effect transfers of the Series 2015 Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Series 2015 Bonds as provided herein, to cancel and destroy Series 2015 Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the Municipality at least annually a certificate of destruction with respect to Series 2015 Bonds canceled and destroyed, and to furnish the Municipality at least annually an audit confirmation of Series 2015 Bonds paid, Series 2015 Bonds outstanding and payments made with respect to interest on the Series 2015 Bonds. The Mayor is hereby authorized to execute and the City Administrator is hereby authorized to attest such written agreement between the Municipality and the Registration Agent as they shall deem necessary and proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

f. Payment of Bonds. The Series 2015 Bonds shall be payable, both principal and interest, in lawful money of the United States of America at the main office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Series 2015 Bonds by check or draft on each interest payment date directly to the registered owners as shown on the Series 2015 Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owners at their addresses shown on said Series 2015 Bond registration records, without, except for final payment, the presentation or surrender of such registered Series 2015 Bonds, and all such payments shall discharge the obligations of the Municipality in respect of such Series 2015 Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Series 2015 Bonds shall be made upon presentation and surrender of such Series 2015 Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a 360-day year composed of twelve months of 30 days each. If requested by any registered owner of at least $1,000,000 in aggregate principal amount of the Series 2015 Bonds, payment of interest on such Series 2015 Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

g. Defaulted Interest. Any interest on any Series 2015 Bond that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the Municipality to the persons in whose names the Series 2015 Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Municipality shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Series 2015 Bond and the date of the proposed payment, and at the same time the Municipality shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than 15 nor less than ten days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the Municipality of such Special Record Date and, in the name and at the expense of the Municipality, not less than ten days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each registered owner at the address thereof as it appears in the Series 2015 Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Series 2015 Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the Municipality to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Series 2015 Bonds when due.

h. <u>Transfer and Exchange of Bonds</u>. The Series 2015 Bonds shall be issued initially in $5,000 denominations or any integral multiple thereof as shall be requested by the Underwriter. The Series 2015 Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his or her legal representative duly authorized in writing, of the registered Series 2015 Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Series 2015 Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Series 2015 Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Series 2015 Bond or the Series 2015 Bond to the assignee(s) in $5,000 denominations, or any integral multiple in excess thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Series 2015 Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Series 2015 Bond, nor to transfer or exchange any Series 2015 Bond after the publication of notice calling such Series 2015 Bond for redemption has been made, nor to transfer or exchange any Series 2015 Bond during the period following the receipt of instructions from the Municipality to call such Series 2015 Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Series 2015 Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Series 2015 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Series 2015 Bonds shall be overdue. The Series 2015 Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Series 2015 Bonds of the same maturity in any authorized denomination or denominations.

i. <u>Execution of Bonds</u>. The Series 2015 Bonds shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf of the Municipality, by the Mayor and attested by the City Administrator.

j. <u>Book-Entry Registration</u>. Except as otherwise provided in this Resolution, the Series 2015 Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. References in this Section to a Series 2015 Bond or the Series 2015 Bonds shall be construed to mean the Series 2015 Bond or the Series 2015 Bonds that are held under the Book-Entry System. One Series 2015 Bond for each maturity shall be issued to DTC and immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Series 2015 Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Series 2015 Bonds. Beneficial ownership interests in the Series 2015 Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Series 2015 Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Series 2015 Bonds. Transfers of ownership interests in the Series 2015 Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE SERIES 2015 BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO. AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2015 BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Series 2015 Bonds, so long as DTC is the only owner of the Series 2015 Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representation relating to the Municipality (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The Municipality and the Registration Agent shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Series 2015 Bonds or (2) the Municipality determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Series 2015 Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Series 2015 Bonds, the Municipality shall discontinue the Book-Entry System with DTC. If the Municipality fails to identify another qualified securities depository to replace DTC, the Municipality shall cause the Registration Agent to authenticate and deliver replacement Series 2015 Bonds in the form of fully registered Series 2015 Bonds to each Beneficial Owner.

THE MUNICIPALITY AND THE REGISTRATION AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE SERIES 2015 BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2015 BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OR ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS; (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2015 BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Series 2015 Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Series 2015 Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Series 2015 Bonds and provision of notices with respect to Series 2015 Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interests of any of the owners of the Series 2015 Bonds; provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

k. Authentication and Delivery. The Registration Agent is hereby authorized to authenticate and deliver the Series 2015 Bonds to the Underwriter, upon receipt by the Municipality of the proceeds of the sale thereof and to authenticate and deliver Series 2015 Bonds in exchange for Series 2015 Bonds of the same principal amount delivered for transfer upon receipt of the Series 2015 Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Series 2015 Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Series 2015 Bond form.

l. Replacement Bonds. In case any Series 2015 Bond shall become mutilated, or be lost, stolen, or destroyed, the Municipality, in its discretion, shall issue, and the Registration Agent, upon written direction from the Municipality, shall authenticate and deliver, a new Series 2015 Bond of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Series 2015 Bond, or in lieu of and in substitution for such lost, stolen or destroyed Series 2015 Bond, or if any such Series 2015 Bond shall have matured or shall be about to mature, instead of issuing a substituted Series 2015 Bond, the Municipality may pay or authorize payment of such Series 2015 Bond without surrender thereof. In every case, the applicant shall furnish evidence satisfactory to the Municipality and the Registration Agent of the destruction, theft or loss of such Series 2015 Bond, and indemnity satisfactory to the Municipality and the Registration Agent; and the Municipality may charge the applicant for the issue of such new Series 2015 Bond an amount sufficient to reimburse the Municipality for the expense incurred by it in the issue thereof.

4. Form of Series 2015 Bonds. The Series 2015 Bonds shall be in substantially the form attached hereto as Exhibit A. The form of the Series 2015 Bond set forth in Exhibit A hereto shall be conformed to reflect any changes made pursuant to Section 6.

5. Source of and Security for Payment.

a. The Series 2015 Bonds shall be payable solely from and secured by a pledge of the Net Revenues subject to a prior lien of such Net Revenues in favor of Prior Lien Obligations. The punctual payment of principal of and premium, if any, and interest on the Series 2015 Bonds shall be secured equally and ratably by the Net Revenues without priority by reason of series, number or time of sale or delivery. The Net Revenues are hereby irrevocably pledged to the punctual payment of such principal, premium, if any, and interest as the same become due. The Series 2015 Bonds do not constitute a debt of the State of Tennessee, or any political subdivision thereof, or municipal corporation therein, other than the Municipality, and no holder of the Series 2015 Bonds shall have recourse to the taxing power of any such entities.

6. Sale of the Series 2015 Bonds; Changes Authorized.

a. The Series 2015 Bonds shall be offered by **[public competitive] [negotiated]** sale, in one or more series, by the Mayor, in consultation with the Chief Financial Advisor, City Administrator, and Municipal Advisor, [by physical delivery of bids or by electronic bidding by means of an Internet bidding service] [pursuant to a Bond Purchase Agreement] at a price of not less than ninety-nine percent (99%) of par, plus accrued interest.

b. [The Mayor is authorized to award the Series 2015 Bonds to the bidder whose bid results in the lowest true interest cost to the Municipality, provided the rate does not exceed the rate permitted by applicable Tennessee law. The award of the Series 2015 Bonds by the Mayor to the lowest bidder shall be binding on the Municipality, and no further action of the Governing Body with respect thereto shall be required.]

[The Mayor and the City Administrator are authorized to enter into a Bond Purchase Agreement with the purchaser in substantially the form attached hereto as Exhibit __ and no further action of the Governing Body with respect thereto shall be required.]

c. The Mayor and the City Administrator are authorized to cause the Series 2015 Bonds to be authenticated by the Registration Agent and delivered to the successful bidder, and to execute, publish, and deliver all certificates and documents as they shall deem necessary in connection with the sale and delivery of the Series 2015 Bonds, including certificates and agreements setting forth covenants of the Municipality as required by the issuer of any bond insurance policy.

d. The Mayor is authorized to cause all or a portion of the Series 2015 Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company if such insurance is requested and paid for by the winning bidder of the Series 2015 Bonds, or any series thereof.

e. In connection with the sale of the Series 2015 Bonds, the Mayor, in consultation with the Chief Financial Officer, City Administrator, and Municipal Advisor, is authorized to:

1) determine whether to reduce the principal amount of the Series 2015 Bonds below $XXXXXX;

2) change principal and/or interest payment dates;

3) establish the principal amortization schedule for the Series 2015 Bonds, provided that the final maturity date shall not be later than that set forth in Section 3(a);

4) remove or adjust the optional redemption terms for the Series 2015 Bonds; and

5) establish any mandatory redemption terms of the Series 2015 Bonds.

Any such changes shall be set forth in the form of bond attached hereto as Exhibit A.

f. The Mayor is authorized to enter into an engagement letter with the Municipal Advisor in connection with the issuance of the Series 2015 Bonds and with Bass, Berry & Sims PLC, as bond counsel to the Municipality in connection with the issuance of the Series 2015

Bonds, and all actions heretofore taken to engage the Municipal Advisor and bond counsel are hereby ratified and approved.

7. Application of Proceeds of Series 2015 Bonds.

   a. The proceeds from the sale of the Series 2015 Bonds shall be immediately applied in the following order:

      1) To pay the costs of issuing the Series 2015 Bonds, with any excess funds to be deposited to the Bond Fund.

      2) The remainder of the proceeds of the sale of the Bonds shall be deposited with a financial institution regulated by the Federal Deposit Insurance Corporation or similar or successor federal agency in a special fund hereby created and known as the 2015 Construction Fund (the "Construction Fund") to be kept separate and apart from all other funds of the Municipality and the System. The funds in the Construction Fund shall be disbursed solely to pay the costs of the Projects, including necessary legal, accounting, engineering, architectural and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, rating agency fees, Registration Agent fees, bond insurance premiums (if any) and other necessary miscellaneous expenses incurred in connection with the Projects and the issuance and sale of the Bonds. Moneys in the Construction Fund shall be invested as directed by the Chief Financial Officer in such investments as shall be permitted by applicable law and the earnings thereon shall be retained in the Construction Fund and used for the same purposes as all other funds in the Construction Fund or paid to the Bond Fund to be used to pay interest on the Bonds, as the Chief Financial Officer in his discretion shall determine. Any monies remaining after completion of the Projects shall be transferred to the Bond Fund.

8. Official Statement for the Series 2015 Bonds. If requested by the **[successful bidder] [purchaser]** for the Series 2015 Bonds and if required by Rule 15c2-12 of the Securities and Exchange Commission, the Mayor, Chief Financial Officer, City Administrator, or any of them, are hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Series 2015 Bonds and the System. The Mayor, Chief Financial Officer, City Administrator, or any of them, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The Mayor, Chief Financial Officer, City Administrator, or any of them, shall arrange for the delivery to the purchaser of a reasonable number of copies of the Official Statement within seven business days after the Series 2015 Bonds have been sold for delivery by the Underwriter to each potential investor requesting a copy of the Official Statement. The Mayor, Chief Financial Officer, City Administrator, or any of them, are authorized, on behalf of the Municipality, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Municipality except for the omission in the Preliminary Official Statement of such pricing and other information.

9. Continuing Disclosure for the Series 2015 Bonds. The Mayor is hereby authorized, if required by Rule 15c2-12 of the Securities and Exchange Commission, to enter into an agreement to provide annual financial information and notice of the occurrence or nonoccurrence of specified events to the holder of the Series 2015 Bonds. Failure of the Municipality to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Series 2015 Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Municipality to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specified performance.

10. Federal Tax Matters Related to the Series 2015 Bonds.

   a. The Series 2015 Bonds will be issued as federally tax-exempt bonds. The Municipality hereby covenants that it will not use, or permit the use of, any proceeds of the Series 2015 Bonds in a manner that would cause the Series 2015 Bonds to be subjected to treatment under Section 148 of the Code, and applicable regulations thereunder, as an "arbitrage bond". To that end, the Municipality shall comply with applicable regulations adopted under said Section 148. The Municipality further covenants with the registered owners from time to time of the Series 2015 Bonds that it will, throughout the term of the Series 2015 Bonds and through the date that the final rebate, if any, must be made to the United States in accordance with Section 148 of the Code, comply with the provisions of Sections 103 and 141 through 150 of the Code and all regulations proposed and promulgated thereunder that must be satisfied in order that interest on the Series 2015 Bonds shall be and continue to be excluded from gross income for federal income tax purposes under Section 103 of the Code.

   b. The Mayor is authorized and directed, on behalf of the Municipality, to execute and deliver all such certificates and documents that may be required of the Municipality in order to comply with the provisions of this Section related to the issuance of the 2015 Bonds.

11. Prohibition of Prior Lien; Parity Bonds; Subordinate Lien Bonds. Except as described in the following sentence, the Municipality will issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenues of the System having priority over the Series 2015 Bonds, including debt obligations issued on parity with the Prior Lien Obligations. Additional bonds, notes, Loan Agreements or obligations may hereafter be issued on parity with the Series 2015 Bonds under the following conditions but not otherwise:

   a. Any portion (including any maturities or portions thereof whether or not in chronological order and any amounts subject to mandatory redemption) of a series of the Bonds may be refunded at maturity, upon redemption in accordance with their terms, or upon payment, prepayment or redemption with the consent of the owners of such Bonds, and the refunding bonds so issued shall constitute Parity Bonds secured on a parity with the Bonds thereafter outstanding, if all of the following conditions are satisfied:

      1) the Municipality shall have obtained a report from a Municipal Advisor demonstrating that the refunding is expected to reduce the total debt service payments on the Bonds, as applicable; and

      2) the requirements of subsections (b)(2) and (4) below are met with respect to such refunding.

b. Parity Bonds (including refunding Parity Bonds which do not meet the requirements of (a)) may also be issued on a parity with outstanding Bonds, and the Parity Bonds so issued shall be secured on a parity with such outstanding Bonds, if all of the following conditions are satisfied:

1) There shall have been procured and filed with the Municipality a report by a Municipal Advisor or a certificate by the Chief Financial Officer of the Municipality, or his or her designee, to the effect that the historical Net Revenues for either (i) a period of 12 consecutive months of the most recent 18 consecutive months prior to the issuance of the proposed Parity Bonds or (ii) the most recent audited Fiscal Year, were equal to at least 125% of Maximum Annual Debt Service Requirement on all Bonds and Prior Lien Obligations which will be outstanding immediately after the issuance of the proposed Parity Bonds, in the then current and each succeeding Fiscal Year, provided, however, the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to 100% of the increased annual amount attributable to any revision in the schedule of rates, fees, and charges for the services and facilities furnished by the System, imposed prior to the date of delivery of the proposed Parity Bonds and not fully reflected in the historical related Net Revenues actually received during such historical period used.

2) The Municipality shall have received, at or before issuance of the Parity Bonds, a report from a Municipal Advisor or a certificate of the Chief Financial Officer of the Municipality, or his or her designee, to the effect that (x) the payments required to be made into the Bond Fund have been made and the balance in the Bond Fund is not less than the balance required hereby as of the date of issuance of the proposed Parity Bonds; and (y) the Reserve Fund is funded to the extent required under the resolutions authorizing Bonds with a Reserve Fund Requirement, if any, and any Reserve Fund Replacement applicable to Parity Bonds will be funded to the extent required under the applicable resolution immediately following the issuance of the proposed Parity Bonds.

3) The resolution authorizing the proposed Parity Bonds must require the proceeds of such proposed Parity Bonds to be used to make capital improvements to or capital acquisitions for the System, to fund interest on the proposed Parity Bonds, to refund other obligations issued for such purposes (whether or not such refunding Parity Bonds satisfy the requirements of (a)), for any other legal purpose under applicable law as evidenced by an opinion of nationally recognized bond counsel, and/or to pay expenses incidental thereto and to the issuance of the proposed Parity Bonds.

4) The Chief Financial Officer shall have certified, by written certificate dated as of the date of issuance of the Parity Bonds, that the Municipality is in compliance with all requirements of this Resolution.

c. All the provisions and covenants of this Resolution relating to negotiability and registration of Bonds, creation and investment of funds and the application of revenues, the operation of the System and charges for services of the System, the remedies of owners of the Bonds, the issuance of additional bonds, modification of this Resolution, the defeasance of Bonds, and such other provisions hereof as are appropriate may be incorporated by reference into supplemental resolutions authorizing additional bonds, and said provisions, when so incorporated, shall be equally applicable to the additional bonds issued pursuant to the terms of this Section in all respects and with like force and effect as though said provisions were recited in full in said supplemental resolutions and shall continue to be applicable so long as any such bonds remain outstanding.

d. Notwithstanding anything herein to the contrary, each series of Parity Bonds may be issued with or without a Reserve Fund Requirement, may require cash funding of the Reserve Fund, if any, and may provide for the funding of the Reserve Fund, if any, over such period of time as is acceptable to the purchaser of such Parity Bonds, all as specified in the resolution authorizing such Parity Bonds. Any such Parity Bonds shall be secured only by the Reserve Fund specified in the resolution authorizing such series of Parity Bonds and shall have no right to receive any payment from the Reserve Fund established for the Series 2015 Bonds or any other series of bonds, whether such additional bonds are issued as Parity Bonds or Subordinate Lien Bonds. Any series of Parity Bonds may be issued in Book-Entry From and may be registered in the name of DTC or such other Depository as may be determined by the Municipality, all to be specified in the resolution authorizing such Parity Bonds.

e. In addition to Parity Bonds issued in accordance with the foregoing, the Municipality may issue Subordinate Lien Bonds, subject to the terms of this Resolution or otherwise, provided that the security for such Subordinate Lien Bonds shall be subject in all respects to the lien in favor of the Bonds.

f. The punctual payment of principal of, premium, if any, and interest on the Series 2015 Bonds and any Parity Bonds shall be secured equally and ratably by the Net Revenues, without priority by reason of number or time of sale or execution or delivery. Parity Bonds shall benefit on an equal and parity basis from the statutory mortgage lien on the System established in favor of the Series 2015 Bonds.

12. Funds, Accounts and Subaccounts; Application of Revenues.

a. The following funds, accounts and subaccounts are hereby established, and the money deposited in such funds, accounts and subaccounts shall be held in trust for the purposes set forth in this Resolution:

1) Water Revenue Fund (the "Revenue Fund") to be held by the Municipality;

2) Principal and Interest Sinking Fund (the "Bond Fund") to be held by the Municipality, and within the Bond Fund:

a) Interest Account, with further subaccounts therein for each series of Bonds; provided a subaccount therein may be utilized for more than one series of Bonds if all such series of Bonds share exactly the same lien status on the Net Revenues.

b) Principal Account, with further subaccounts therein for each series of Bonds; provided a subaccount therein may be utilized for more than one series of Bonds if all such series of Bonds share exactly the same lien status on the Net Revenues.

3) Debt Service Reserve Fund (the "Reserve Fund"), with an account for each series of Bonds which has a Reserve Fund Requirement; provided an account therein may be utilized for more than one series of Bonds if all such series of Bonds are specified in the resolution authorizing such Bonds to share a pledge of such account and have a combined Reserve Fund Requirement. Nothing herein shall prohibit the Municipality from issuing one or more series of Bonds without a Reserve Fund Requirement and no deposit to the Reserve Fund and no Reserve Fund Credit Facility shall be required in connection therewith.

b. From and after the delivery of any of the Series 2015 Bonds hereunder, and as long as any of the Bonds shall be outstanding and unpaid either as to principal or as to interest, or until the discharge and satisfaction of all the Bonds, the Gross Earnings of the System shall be deposited as collected by the Municipality to the Revenue Fund hereby established (the "Revenue Fund"), administered and controlled by the Municipality; provided that the Gross Earnings shall first be first applied as required by the resolutions authorizing any Prior Lien Obligations. The funds so deposited in the Revenue Fund created under this Resolution shall be used only as follows:

1) The money in the Revenue Fund shall be used first from month to month for the payment of Current Expenses.

2) The money thereafter remaining in the Revenue Fund shall next be used to make deposits into the Sinking Fund to be further deposited in the Interest Account and the Principal Account as set forth herein and used to pay principal of and interest on the Bonds as the same become due, either by maturity or mandatory redemption. Such deposits shall be made monthly until the Bonds are paid in full or discharged and satisfied pursuant to the defeasance provisions of this Resolution, beginning in the month next following delivery of the Series 2015 Bonds. Each monthly deposit as to interest for such Bonds shall be an amount equal to not less than one-sixth ($1/6^{th}$) of the interest coming due on such Bonds on the next interest payment date net of any interest earnings on such amounts; provided that proportionately greater monthly amounts shall be deposited to account for any initial period of less than six months following the issuance of Bonds. Each monthly deposit as to principal for such Bonds shall be an amount equal to not less than one-twelfth ($1/12^{th}$) of the principal amount and/or Maturity Amount coming due on such Bonds, whether by maturity or mandatory redemption, on the next principal payment date net of any interest earnings on such amounts; provided that proportionately greater monthly amounts shall be deposited to account for any initial period of less than 12 months following the issuance of Bonds. No further deposit shall be required as to any Bonds when the Sinking Fund balance is equal to or greater than the amount needed to pay interest on the next interest payment date and the total of the principal amounts payable, either by maturity or mandatory redemption, during the applicable twelve-month period. Notwithstanding the foregoing, deposits for payment of interest and principal on Variable Rate Indebtedness shall be made as set forth in the resolution authorizing such Variable Rate Indebtedness, and if interest is not paid semi-annually and/or principal is not paid annually with respect to any Bonds, the deposits may be adjusted by the Municipality as provided in the resolution authorizing the issuance of such Bonds. Money in the Bond Fund shall be used and is hereby expressly pledged for the purpose of paying principal of and interest on the Bonds.

3) The next available money in the Revenue Fund shall be paid to any Reserve Fund Credit Facility Issuer or Issuers (pro rata, if more than one) to the extent needed to reimburse the Reserve Fund Credit Facility Issuer for amounts advanced by the Reserve Fund Credit Facility Issuer or Issuers under the Reserve Fund Credit Facility, including any amounts payable under any Financial Guaranty Agreement, together with reasonable related expenses incurred by the Reserve Fund Credit Facility Issuer and interest as provided in the Financial Guaranty Agreement.

4) To the extent any series of the Bonds has a Reserve Fund Requirement and such Reserve Fund Requirement is not fully satisfied by a Reserve Fund Credit Facility or Facilities or funds of the Municipality, or a combination thereof, the next available money in the Revenue Fund shall be used to make deposits into the applicable subaccount of the Reserve Fund. No deposit shall be required to be made to the Reserve Fund unless the amount in the Reserve Fund, together with the Reserve Fund Credit Facility or Facilities, if any, becomes less than the applicable Reserve Fund Requirement. In the event deposits to the Reserve Fund shall be required pursuant to the preceding sentence, said deposits shall be payable monthly as hereafter provided and each deposit shall be in a minimum amount equal to 1/24th of the difference between the Reserve Fund Requirement and the amount in each subaccount of said Fund, together with the Reserve Fund Credit Facility or Facilities, if any, immediately following the occurrence of such deficiency, so that any deficiency in any subaccount of said Fund shall be replenished over a period of not greater than twenty-four (24) consecutive months; provided, any monthly payments in excess of said minimum payments shall be a credit against the next ensuing payment or payments. Any deposits required to be made hereunder shall be made monthly at the same time as deposits are made to the Bond Fund, commencing the first month in which the amount in the Fund, together with the Reserve Fund Credit Facility or Facilities, if any, is less than the Reserve Fund Requirement. All deposits to the Reserve Fund shall be made from the first money in the Revenue Fund thereafter received which shall not then be required to pay Current Expenses, satisfy the contractual obligations set forth in the Prior Bond Resolutions, be transferred into the Bond Fund, or to be paid to the Reserve Fund Credit Facility Issuer or Issuers as above provided. Money in the Reserve Fund shall be used solely for the purpose of paying principal of or interest on the Bonds for the payment of which funds are not available in the Bond Fund. Funds in excess of the Reserve Fund Requirement may be released to be used by the Municipality for legally permissible purposes.

At the option of the Municipality, the Municipality may satisfy the Reserve Fund Requirement applicable to a series of Bonds, or a portion thereof, by providing for the benefit of owners of such series of Bonds a Reserve Fund Credit Facility or Facilities, at any time, in an amount not greater than the Reserve Fund Requirement applicable to such series of Bonds and release an equal amount of funds on deposit in the corresponding subaccount of the Reserve Fund to be used by the Municipality for legally permissible purposes. At any time during the term hereof, the Municipality shall have the right and option to substitute a new Reserve Fund Credit Facility or Facilities for any Reserve Fund Credit Facility or Facilities previously delivered, upon notice to the Registration Agent and the Reserve Fund Credit Facility Issuer or Issuers and delivery of a Reserve Fund Credit Facility or Facilities in substitution therefor. In the event of the issuance of Parity Bonds pursuant to the restrictive provisions of Section 11 hereof with a Reserve Fund

Requirement or the substitution of a Reserve Fund Credit Facility or Facilities for less than the full amount of the Reserve Fund Requirement, the Municipality shall satisfy the applicable Reserve Fund Requirement by depositing funds to the Reserve Fund or obtaining a Reserve Fund Credit Facility or Facilities, or any combination thereof, in an aggregate amount equal to the applicable Reserve Fund Requirement for the series of Bonds taking into account any funds then held therein or the amount of any Reserve Fund Credit Facility or Facilities then in effect.

In the event of the necessity of a withdrawal of funds from the Reserve Fund during a time when the Reserve Fund Requirement is being satisfied by a Reserve Fund Credit Facility or Facilities and funds of the Municipality, the funds shall be disbursed completely before any demand is made on the Reserve Fund Credit Facility. In the event all or a portion of the Reserve Fund Requirement is satisfied by more than one Reserve Fund Credit Facility, any demand for payment shall be pro rata between or among the Reserve Fund Credit Facilities. If a disbursement is made by demand on a Reserve Fund Credit Facility, the Municipality, from Revenues after payment of Current Expenses, satisfaction of the contractual obligations set forth in the Prior Bond Resolutions and required deposits to the Bond Fund, shall reimburse the Reserve Fund Credit Facility Issuer for all amounts advanced under the Reserve Fund Credit Facility (pro rata, if more than one Reserve Fund Credit Facility), including all amounts payable under any Financial Guaranty Agreement or Agreements, and then replenish the Reserve Fund as provided herein.

In the event the Reserve Fund Requirement, or any part thereof, shall be satisfied with a Reserve Fund Credit Facility or Facilities, notwithstanding the terms of Section 16 hereof, the terms, covenants, liability and liens provided or created herein or in any resolution supplemental hereto shall remain in full force and effect and said terms, covenants, liability and liens shall not terminate until all amounts payable under any Financial Guaranty Agreement have been paid in full and all obligations thereunder performed in full. If the Municipality shall fail to pay when due all amounts payable under any Financial Guaranty Agreement, the Reserve Fund Credit Facility Issuer shall be entitled to exercise any and all remedies available at law or under this Resolution other than remedies that would adversely affect owners of Bonds.

It shall be the responsibility of the Registration Agent to maintain adequate records, verified with the Reserve Fund Credit Facility Issuer or Issuers, as to the amount available to be drawn at any given time under the Reserve Fund Credit Facility or Facilities and as to the amounts paid and owing to the Reserve Fund Credit Facility Issuer or Issuers under the terms of any Financial Guaranty Agreement and to provide notice to the Reserve Fund Credit Facility Issuer at least two days before any payment is due. The Reserve Fund Credit Facility Issuer shall receive notice of the resignation or removal of the Registration Agent and the appointment of a successor thereto.

The Municipality may issue Parity Bonds without a Reserve Fund Requirement, as shall be specified in the bond resolution authorizing such Parity Bonds.

5) The next available money in the Revenue Fund shall be used for the purpose of the payment of principal of and interest on (including reasonable reserves therefor)

any Subordinate Lien Bonds or other obligations payable from revenues of the System, but junior and subordinate to the Bonds, and may thereafter be used by the Municipality for any legally permissible purpose, as the Governing Body shall determine.

c. Money on deposit in the Funds described in this Section may be invested by the Municipality in such investments as shall be permitted by applicable law, as determined by an authorized representative of the Municipality, all such investments to mature not later than the date on which the money so invested shall be required for the purpose for which the respective Fund was created. All income derived from such investments shall be regarded as revenues of the System and shall be deposited in the Revenue Fund. Such investments shall at any time necessary be liquidated and the proceeds thereof applied to the purpose for which the respective Fund was created; provided, however, that in no event shall moneys in the Reserve Fund be invested in instruments that mature more than two years from the date the money is so invested. The Municipality is authorized to enter into contracts with third parties for the investment of funds in any of the Funds described herein.

d. The Revenue Fund, the Bond Fund, and the Reserve Fund (except to the extent funded with a Reserve Fund Credit Facility or Facilities) shall be held and maintained by the Municipality and, when not invested, kept on deposit with a bank or financial institution regulated by and the deposits of which are insured by the Federal Deposit Insurance Corporation or similar federal agency. All moneys in such Funds so deposited shall at all times be secured to the extent and in the manner required by applicable State law.

13. Covenants Regarding the Operation of the System. The Municipality hereby covenants and agrees with the owners of the Bonds so long as any of the Bonds shall remain outstanding:

a. The Municipality shall maintain the System in good condition and operate the System in an efficient manner and at reasonable cost and conduct all activities associated therewith or incident thereto.

b. The Municipality shall maintain insurance on the properties of the System of a kind and in an amount which would normally be carried by private companies engaged in a similar type and size of business, provided, the Municipality shall not be required to insure beyond the limits of immunity provided by Sections 29-20-101 et seq., Tennessee Code Annotated, or other applicable law. The proceeds of any such insurance, except public liability insurance, shall be used to replace the part or parts of the System damaged or destroyed, or, if not so used, shall be placed in the Revenue Fund.

c. The Municipality will cause to be kept proper books and accounts adapted to the System, will cause the books and accounts to be audited at the end of each Fiscal Year by a recognized independent certified public accountant or a firm of such accountant or accountants and, upon written request, will make available to any registered owner of the Bonds the balance sheet and the profit and loss statement of the Municipality as certified by such accountant or accountants. Each such audit, in addition to whatever matters may be thought proper by the accountant or accountants to be included therein, shall include the following:

1) A statement in detail of the revenues and expenditures of the System and the excess of revenues over expenditures for the Fiscal Year;

2) A statement showing beginning and ending balances of each Fund described herein;

3) A balance sheet as of the end of the Fiscal Year;

4) The accountant's comments regarding the manner in which the Municipality has carried out the requirements of this Resolution and the accountant's recommendations with respect to any change or improvement in the operation of the System;

5) A list of insurance policies in force at the end of the Fiscal Year, setting out as to each policy the amount of the policy, the risks covered, the name of the insurer and the expiration date of the policy;

6) The number and classifications of customer service connections to the System as of the end of the Fiscal Year;

7) The disposition of any Bond proceeds during the Fiscal Year;

8) A statement as to all breaches or defaults hereunder by the Municipality of which the accountant or accountants have knowledge or, in the alternative, a statement that they have no knowledge of any such breach or default.

All expenses incurred in the making of the audits required by this subsection shall be regarded and paid as Current Expenses. The Municipality further agrees to cause copies of such audits to be furnished to the registered owner of any of the Bonds, at the written request thereof, within one year after the close of each Fiscal Year. The registered owner of any of the Bonds shall have at all reasonable times the right to inspect the System and the records, accounts and data of the Municipality relating thereto. If the Municipality fails to provide the audits and reports required by this subsection, the registered owner or owners of twenty-five percent (25%) in principal amount of the Bonds may cause such audits and reports to be prepared at the expense of the Municipality.

d. The Municipality will faithfully and punctually perform all duties with reference to the System required by the constitution and laws of the State, including the making and collecting of reasonable and sufficient rates for services rendered by the System, and will apply the revenues of the System to the purposes and Funds specified in this Resolution.

e. The Municipality shall continuously own, control, operate, and maintain the System in an efficient and economical manner and on a revenue producing basis and shall at all times prescribe, fix, maintain, and collect rates, fees, and other charges for the services and facilities furnished by the System fully sufficient at all times:

1) for 100% of the Current Expenses and for the accumulation in the Revenue Fund of a reasonable reserve therefor, in an amount, if any, as shall be determined from time to time by the Municipality; and

2) such that Net Revenues in each Fiscal Year:

a) will equal at least 125% of the Debt Service Requirement on all Bonds and Prior Lien Obligations, and 100% of the debt service requirement on any

Subordinate Lien Bonds or other obligations then outstanding for such Fiscal Year; provided that the Municipality may calculate the debt service requirement on Subordinate Lien Bonds in the manner prescribed for the Bonds in the definition of "Debt Service Requirement";

b) will enable the Municipality to make all required payments, if any, into the Reserve Fund and on any Credit Facility Agreement;

c) will enable the Municipality to accumulate an amount, which, in the judgment of the Municipality, is adequate to meet the costs of major renewals, replacements, repairs, additions, betterments, and improvements to the System, necessary to keep the same in good operating condition or as is required by any governmental agency having jurisdiction over the System;

d) will remedy all deficiencies in required payments into any of the funds and accounts mentioned in this Resolution from prior Fiscal Years; and

e) will permit the Municipality to comply with the terms of any agreement that the Municipality has entered into to purchase water.

f. The Municipality will not sell, lease, mortgage, or in any manner dispose of the System, or any part thereof, including any and all extensions and additions that may be made thereto, or any facility necessary for the operation thereof; provided, however, the use of any of the System facilities may at any time be permanently abandoned or any of the System facilities sold at fair market value, provided that:

1) The Municipality is in full compliance with all covenants and undertakings in connection with all bonds, notes and other obligations then outstanding and payable from the revenues of the System and any required reserve funds for such bonds, notes and other obligations have been fully established and contributions thereto are current;

2) Any sale proceeds will be applied either (A) to redemption of Bonds or Prior Lien Obligations in accordance with the provisions governing the repayment thereof in advance of maturity, or (B) to the purchase of Bonds or Prior Lien Obligations at the market price thereof so long as such price does not exceed the amount at which they could be redeemed on such date or the next optional redemption date as set forth herein or in their authorizing resolutions, or (C) to the construction or acquisition of facilities in replacement of the facilities so disposed of or other facilities constituting capital improvements to the System, or (D) the deposit to a replacement fund to be used to make capital improvements to the System;

3) The abandonment, sale or disposition is for the purpose of disposing of facilities which are no longer necessary or no longer useful to the operation of the System and the operation of the System or revenue producing capacity of the System is not materially impaired by such abandonment, sale or disposition or any facilities acquired in replacement thereof are of equivalent or greater value; and

4) The Municipality shall have received an opinion of nationally recognized bond counsel to the effect that such sale, lease, mortgage or other disposition will not

jeopardize the exclusion from federal income taxation of interest on any Bonds then outstanding intended to be excludable from gross income for federal income tax purposes.

Nothing herein is intended to prohibit the lease purchase of equipment or facilities of the System hereafter to be put in service or to prohibit the transfer or exchange of service areas to provide for more efficient operation of the System so long as the Municipality is in full compliance with the covenants set forth herein immediately following such transfer or exchange.

g. Prior to the beginning of each Fiscal Year, the Governing Body shall prepare, or cause to be prepared, and adopted an annual budget of estimated revenues, Current Expenses, and capital expenditures for the System for the ensuing Fiscal Year in compliance with the rate covenant set forth in subsection (e) above, and will undertake to operate the System within such budget to the best of its ability. Copies of such budgets and amendments thereto will be made available to any registered owner of a Bond upon written request. The Municipality covenants that Current Expenses and capital expenditures incurred in any Fiscal Year will not exceed the reasonable and necessary amounts therefor and that the Municipality will not expend any amounts or incur any obligations therefor in excess of the amounts provided for Current Expenses and capital expenditures in the budget except upon resolution of the Governing Body.

h. The Municipality will not construct, finance or grant a franchise for the development or operation of facilities that compete for service with the services to be provided by the System or consent to the provision of any such services in the area currently served by the Municipality by any other public or private entity and will take all steps necessary and proper, including appropriate legal action to prevent any such entity from providing such service; provided, nothing herein contained shall prohibit the transfer or exchange of service areas to provide for more efficient operation of the System so long as the Municipality is in full compliance with the covenants set forth herein immediately following such transfer or exchange.

14. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Municipality and the registered owners of the Bonds, and after the issuance of the Series 2015 Bonds, no change, variation or alteration of any kind in the provisions of this Resolution shall be made in any manner, except as expressly provided herein, until such time as the Bonds shall have been paid in full or discharged pursuant to the defeasance sections hereof.

15. Remedies of Bond Owners. Any registered owner of any of the Bonds may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction enforce and compel performance of all duties imposed upon the Municipality by the provisions of this Resolution, including the making and collecting of sufficient rates, the proper application of and accounting for revenues of the System, and the performance of all duties imposed by the terms hereof. If any default be made in the payment of principal of, premium, if any, or interest on the Bonds, then upon the filing of suit by any registered owner of said Bonds, any court having jurisdiction of the action may appoint a receiver to administer the System in behalf of the Municipality with power to charge and collect rates sufficient to provide for the payment of all bonds and obligations outstanding against the System and for the payment of Current Expenses, and to apply the income and revenues thereof in conformity with the provisions of this Resolution.

16. Discharge and Satisfaction of Bonds. If the Municipality shall pay and discharge the indebtedness evidenced by all or any portion of the Bonds in any one or more of the following ways:

a. By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

b. By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an "Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

c. By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the Municipality shall also pay or cause to be paid all other sums payable hereunder by the Municipality with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the Municipality to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the Municipality shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Defeasance Obligations or moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Municipality as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Municipality, as received by the Registration Agent.

Notwithstanding the foregoing, the Municipality may restrict its right to discharge and satisfy prior to maturity any series of Parity Bonds as may be set forth in the resolution authorizing such series of Parity Bonds.

17. Modification of Resolution.

a. This Resolution may be amended without the consent of or notice to the registered owners of the Bonds for the purpose of (1) curing any ambiguity or formal defect or omission herein or (2) making any other amendment which, in the opinion of nationally-recognized bond counsel, does not adversely affect the holders of any Bonds then outstanding.

b. In addition to the amendments to this Resolution without the consent of registered owners as referred to in subsection (a) above, the registered owners of a majority in aggregate principal amount of the Bonds at any time outstanding (not including in any case any Bonds which may then be held or owned by or for the account of the Municipality but including such refunding bonds as may have been issued for the purpose of refunding any of such Bonds if such refunding bonds shall not then be owned by the Municipality) shall have the right from time to time to consent to and approve the adoption by the Governing Body of a resolution or resolutions modifying any of the terms or provisions contained in this Resolution; provided, however, that this Resolution may not be so modified or amended in such manner, without the consent of 100% of the registered owners of the Bonds, as to:

1) Make any change in the maturities or redemption dates of the Bonds;

2) Make any change in the rates of interest borne by the Bonds;

3) Reduce the amount of the principal payments or redemption premiums payable on the Bonds;

4) Modify the terms of payment of principal of or interest on the Bonds or impose any conditions with respect to such payments;

5) Affect the rights of the registered owners of less than all of the Bonds then outstanding;

6) Reduce the percentage of the principal amount of the Bonds the consent of the registered owners of which is required to effect a further modification.

c. Whenever the Municipality shall propose to amend or modify this Resolution under the provisions of this Section, it shall cause notice of the proposed amendment to be mailed by first-class mail, postage prepaid, to the owner of each Bond then outstanding. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in the office of the Municipality for public inspection.

d. Whenever at any time within one year from the date of mailing of said notice there shall be filed with the City Administrator an instrument or instruments executed by the registered owners of at least a majority in aggregate principal amount of the Bonds then outstanding as in this Section defined, which instrument or instruments shall refer to the proposed amendatory resolution described in said notice and shall specifically consent to and approve the adoption thereof, thereupon, but not otherwise, the Municipality may adopt such amendatory resolution and such resolution shall become effective and binding upon the owners of all Bonds.

e. If the registered owners of at least a majority in aggregate principal amount of the Bonds outstanding as in this section defined, at the time of the adoption of such amendatory resolution, or the predecessors in title of such owners, shall have consented to and approved the adoption thereof as herein provided, no registered owner of any Bonds, whether or not such owner shall have consented to or shall have revoked any consent as in this Section provided, shall have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the Municipality from taking any action pursuant to the provisions thereof.

f. Any consent given by the registered owner of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the publication of the notice above provided for and shall be conclusive and binding upon all future registered owners of the same Bond during such period. Such consent may be revoked at any time after six months from the date of publication of such notice by the registered owner who gave such consent or by a successor in title by filing notice of such revocation at the Municipality office, but such revocation shall not be effective if the registered owners of a majority in aggregate principal amount of the Bonds outstanding as in this Section defined shall have, prior to the attempted revocation, consented to and approved the amendatory resolution referred to in such revocation.

g. The fact and date of the execution of any instrument under the provisions of this Section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction, that the person signing such instrument acknowledged before him or her the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

h. The amount (number(s)) of the Bonds owned by any person executing such instrument and the date of the ownership of the same shall be proved by reference to the Bond registration records maintained by the Registration Agent, which records shall constitute conclusive proof of the ownership thereof.

18. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed and this Resolution shall be in immediate effect from and after its adoption.

19. Separability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

Adopted and approved on ___________, 2015.

____
Mayor

ATTEST:

____
City Administrator/Recorder

STATE OF TENNESSEE)
)
COUNTY OF WILLIAMSON)

I, Eric S. Stuckey, hereby certify that I am the duly qualified and acting City Administrator/Recorder of the Board of Mayor and Aldermen of the City of Franklin, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a meeting of the Board of Mayor and Aldermen of the Municipality held on ___________, 2015; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to not to exceed $XXXXXX in aggregate principal amount of Waterworks Revenue Bonds, Series 2015 of said Municipality.

WITNESS my official signature and seal of said Municipality this _____ day of _________, 2015.

____
City Administrator/Recorder

(SEAL)

EXHIBIT A

(Form of Series 2015 Bond)

REGISTERED
Number ___

REGISTERED
$__________

UNITED STATES OF AMERICA
STATE OF TENNESSEE
CITY OF FRANKLIN, TENNESSEE
WATERWORKS REVENUE BONDS, SERIES 2015

Interest Rate:	Maturity Date:	Date of Bond:	CUSIP No.:
_______%	__________, _____	__________, _____	__________

Registered Owner: ______________________________

Principal Amount: ______________________________ DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That the City of Franklin, Tennessee (the "Municipality"), a municipal corporation lawfully organized and existing in Williamson County, Tennessee, for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date, said interest being payable on ______________, and semi-annually thereafter on the first day of __________ and __________ in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America at the principal corporate trust office of ______________, ______________, ______________, as registration agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date to the registered owner hereof shown on the bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Municipality to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the persons in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten days prior to such Special Record Date. Payment of principal of and premium, if any, on this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its custody or a custodian of DEC. The Registration Agent is a custodian and agent for DTC and the Bonds will be immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Bonds in $5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution (as hereafter defined), pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the Municipality and the Registration Agent shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Resolution, including receipt of all principal and maturity amounts of, premium, if any, and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the Municipality nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the Municipality determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the Municipality may discontinue the book- entry system with DTC. If the Municipality fails to identify another qualified securities depository to replace DTC, the Municipality shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the Municipality nor the Registration Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

This Bond is one of a total authorized issue aggregating $__________ and issued by the Municipality for the purpose of providing funds to: (A) finance extensions and improvements to the water system (the "System") of the Municipality; and (B) pay the costs of issuing the Bonds, under and in full compliance with the Act, and pursuant to a resolution duly adopted by the Board of Mayor and Aldermen of the Municipality at a meeting held on __________, 20__ (the "Resolution").

This Bond is payable solely from and secured by a pledge of revenues of the System, subject to the payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring the Municipality's water system (the "System") and subject to prior lien of such revenues in favor of the Municipality's outstanding Sewer and Water Revenue and Tax Refunding Bonds, Series 2005, dated March 30, 2005, maturing April 1, 2016 through April 1, 2025, inclusive; its outstanding Sewer and Water Revenue and Tax Refunding Bonds, Series 2011, dated September 29, 2011, maturing May 25, 2026; two Revolving Fund Loan Agreements, each dated October 26, 2009, among the Municipality, the Tennessee Department of Conservation and the Tennessee Local Development Authority. As provided in the Resolution, the punctual payment of principal of and interest on the series of the Bonds of which this Bond is one, and any other bonds hereafter issued on a parity therewith, shall be secured equally and ratably by said revenues without priority by reason of series, number or time of sale or delivery. Said revenues are required by law and by the proceedings pursuant to which this Bond is issued to be fully sufficient to pay the cost of operating, maintaining, repairing and insuring the System, including reserves therefor, and to pay principal of and interest on this Bond and the issue of which it is a part promptly as each becomes due and payable. The Municipality has covenanted and does hereby covenant that it will fix and impose such rates and charges for the services rendered by the System and will collect and account for sufficient revenues to pay promptly the principal of and interest on this Bond and the issue of which it is a part as each becomes due. This Bond and the interest hereon are payable solely from the revenues so pledged to the payment hereof, and this Bond does not constitute a debt of the Municipality within the meaning of any statutory limitation. For a more complete statement of the revenues from which and conditions under which this Bond is payable, a statement of the conditions on which obligations may hereafter be issued on a parity with this Bond, the general covenants and provisions pursuant to which this Bond is issued and the terms upon which the Resolution may be modified, reference is hereby made to the Resolution.

The Bonds of the issue of which this Bond is one shall be subject to redemption prior to maturity at the option of the Municipality on or after __________ 1, 20__, as a whole or in part at any time at the redemption price of par plus interest accrued to the redemption date. If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Board of Mayor and Aldermen of the Municipality, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

Subject to the credit hereinafter provided, the Municipality shall redeem Bonds maturing ____________________________________ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

Final Maturity	Redemption Date	Principal Amount of Bonds Redeemed

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Municipality may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Municipality on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced.

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any such defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Municipality nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined. In the case of a Conditional Redemption, the failure of the Municipality to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

If this Bond is no longer registered in the name of Cede & Co. as nominee for DTC, this Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Municipality to call such Bond for redemption.

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Bond during the period the Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

This Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Municipality to call such Bond for redemption.

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Bond during the period the Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the Municipality has caused this Bond to be signed by its Mayor and attested by its City Administrator/Recorder, all as of the date hereinabove set forth.

By:____________________________________
Mayor of the Board of Mayor and Aldermen

(SEAL)

ATTESTED:

____
City Administrator/Recorder

Transferable and Payable at: ______________
______________, _____________

Date of Registration: ____________

This Bond is one of the issue of Bonds issued pursuant to the Resolution hereinabove described.

____
Registration Agent

By:__________________________________
Authorized Officer

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto ________________________________, whose address is ______________________ (Please insert Federal Identification of Social Security Number of Assignee ____________) the within Bond of the City of Franklin, Tennessee and does hereby irrevocably constitute and appoint ______________________, attorney, to transfer the said bond on the records kept for registration thereof with full power of substitution in the premises.

Dated:______________

____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within bond in every particular, without enlargement or alteration, or any change whatsoever.

Signature guaranteed:

____

Notice: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.

14540192.1

Loan Programs

State Revolving Fund Loan Program

The TLDA works within two programs. The first, the State Revolving Fund Loan Program (SRF Loan Program), is operated in affiliation with the Tennessee Department of Environment and Conservation (TDEC). The SRF Loan Program administers Tennessee´s Clean Water State Revolving Fund (CWSRF) Loan Program. An amendment to the Federal Clean Water Act in 1987 created the CWSRF Program in order to provide low-interest loans to cities, counties, and utility districts for the planning, design, and construction of wastewater facilities. The U.S. Environmental Protection Agency awards annual capitalization grants to fund the program, and the State of

» Investor Updates

» Official Statement

Related Boards

» Tennessee State Funding Board

» Tennessee State School Bond Authority

Tennessee provides a twenty-percent funding match. The SRF Loan Program has awarded CWSRF loans totaling more than $1.25 billion since the creation of Tennessee´s CWSRF Program in 1987. Loan repayments are returned to the program and used to fund future CWSRF loans. The SRF Loan Program also administers Tennessee´s Drinking Water State Revolving Fund (DWSRF) Loan Program. An amendment to the Federal Safe Drinking Water Act in 1996 created the DWSRF Program in order to provide low-interest loans to cities, counties, and utility districts for the planning, design, and construction of drinking water facilities. The U.S. Environmental Protection Agency awards annual capitalization grants to fund the program, and the State of Tennessee provides a twenty-percent funding match. The SRF Loan Program has awarded DWSRF loans totaling close to $202 million since the creation of Tennessee´s DWSRF Program in 1996. Loan repayments are returned to the program and used to fund future DWSRF loans. Both programs combined award more than $80 million annually to Tennessee's local governments for water and wastewater infrastructure projects.

Click here for contact information for the SRF Loan Program.

State Infrastructure Fund Loan Program

In fiscal year 2010, The Tennessee Local Development Authority received funds in the amount of $2,190,000 for the State Infrastructure Fund Loan Program (SIF Loan Program). The funds were transferred from the Tennessee

Department of Transportation (TDOT) to the Authority after the creation of the Tennessee Transportation State Infrastructure Fund Act pursuant to Tennessee Code Annotated 4-31-1201. The State Infrastructure Program provides assistance to Local Government Units in the construction of transportation infrastructure projects that provide public benefits by enhancing mobility or safety, promoting economic development, or increasing the quality of life and general welfare of the public.

For more information of the SIF Loan Program please contact:

Paul D. Degges, P.E.
Deputy Commissioner and Chief Engineer
Tennessee Department of Transportation
Suite 700 James K. Polk Building
505 Deaderick Street
Nashville, Tennessee 37243-0349
615-741-0791 Phone
615-741-0865 Fax
Paul.Degges@tn.gov

Drinking Water State Revolving Fund Loan Program

Drinking Water State Revolving Fund (DWSRF) loans are availabl[illegible]e Pla[illegible]onstruction Phases of drinking water facilities. The funds may be used for all th[illegible]phases or in [illegible]ation. Ap[illegible]cants f[illegible] DWSRF loan funding must submit a request for funding along with [illegible]roject descripti[illegible]timate an[illegible] justification. As required by SDWA, projects are prioritized by risk [illegible]uman health and complian[illegible]on a request for funding, projects are evaluated and assigned from 2[illegible] 100 points depending on [illegible]e health [illegible] compliance problems addressed by the project. Projects demonstr[illegible]g the greatest [illegible]n health w[illegible] receive the highest priority followed by projects addressing compliance prob[illegible]s and then proje[illegible] other needs. Seven categories of projects have been established which should co[illegible]all types of dri[illegible]projects. These categories include water quality problems, source or capacity, water st[illegible]e, leakage problem[illegible]pressure problems, replacement or rehabilitation projects, and water line extensions.

Projects that are not eligible for DWSRF loan funding include dams, reservoirs, purc[illegible]oratory fees for monitoring, operation and maintenance (O&M) expenses, and projects primarily intended for future growth, economic development, and fire protection. DWSRF loans cannot be used provide assistance to any system that is in significant noncompliance with any national drinking water regulation or variance unless the State conducts a review and determines that the project will enable the system to return to compliance and the system will maintain an adequate level of technical, managerial and financial capability to maintain compliance.

DWSRF loan applicants must pledge security for loan repayment, agree to adjust user rates as needed to cover debt service and fund depreciation, and maintain financial records that follow governmental accounting standards. DWSRF loan interest rates range from zero percent to market rate depending on the community's per-capita income, taxable sales, and taxable property values. Most DWSRF loan recipients qualify for interest rates between 2 and 4 percent. Interest rates are fixed for the life/term of the loan. The maximum loan term is 20 years or the design life of the proposed drinking water facility, whichever is shorter.

The State Revolving Fund Loan Program (SRF Loan Program) maintains a Priority Ranking List for funding the planning, design, and construction of drinking water facilities. The Priority Ranking List forms the basis for funding eligibility and the subsequent allocation of DWSRF loans. DWSRF loans are awarded to those projects that have met the DWSRF technical, financial, and administrative requirements, possess the highest priority rank on the Priority Ranking List, and are ready to proceed.

Because DWSRF loans include federal funds, each project requires a fiscal review, the development of a Facilities Plan, an environmental review, opportunities for minority and women business participation, a capacity development review, and interim and final construction inspections to be conducted by the SRF Loan Program's technical staff.

Bid Package Requirements

The technical staff of the State Revolving Fund Loan Program (SRF Loan Program) reviews the bid package to ensure that an engineer-stamped copy of the certified bid tabulation is provided, the successful contractor used the bid form from the state-approved Plans and Specifications, and the qualifications of the [illegible] resident inspector are acceptable. PRIOR TO AWARDING THE CONTRACT, the SRF Loan Recipient [illegible] prepare and submit a complete Bid Package to the SRF Loan Program for review and approval. Written approval of the Bid package must be obtained from the SRF Loan Program before the contract can be awarded and

A complete Bid Package consists of the following:

- A copy of the advertisements for bids appearing in the Dodge Report and a local or [illegible] newspaper and an original, notarized certification of publication (Publisher's Affidavit) signed by the editor of the newspaper;
- A certified bid tabulation stamped and signed by the consulting engineer reviewing the bids;
- Copies of the signed Bid Proposal of the apparent successful bidder;
- Bid Bond with Power of Attorney;
- Equal Employment Opportunity Commission Certification
- A completed Minority Business Enterprise and Women Business Enterprise (MBE/WBE) Certification and Participation Summary documenting MBE/WBE subcontractor participation and documentation of "good faith efforts" to solicit MBE/WBE participation, even if no MBE/WBE subcontractor participation was secured. Good faith efforts must be demonstrated by copies of the Certified Letters mailed to State-certified MBE/WBE firms to solicit their participation and copies of returned mail receipts documenting delivery of the Certified Letters.;
- A signed original Construction Contract Award Resolution made by the SRF loan recipient's governing body, or in the case of Utility Districts, a certified copy of the meeting minutes, on the U.D.'s letterhead, tentatively awarding the contract(s) to the lowest responsive, responsible bidder;
- Documentation of the justification for not awarding to the lowest bidder if the award is to be made to other than the low bidder. The justification must indicate why the low bidder is not responsive or responsible and include documentation of any negotiations leading to the determination;
- Resume of the resident inspector(s).
- Documentation of the extension of the bid proposal and bid bond expiration dates, if necessary.

If the lowest bid received exceeds the amount budgeted for construction in the SRF Loan Program-approved SRF Loan Budget, the loan recipient must choose only from the following options:

- Re-allocate SRF funds through a budget revision. A revised Budget/Rebudget Form must be submitted to the SRF Loan Program for review and approval if the rebudgeting option is chosen.
- Provide additional funds needed to pay the contract from local funds or funding source(s) other than the SRF loan.
- Apply for an SRF loan increase. Application for a loan increase will require reevaluation of the loan recipient's user rates to determine if the anticipated revenue will be sufficient to repay the requested loan increase and fund the additional depreciation.
- Reject all bids and re-bid the project.

Brief Summary of Financing Choices for Water Plant

State Revolving Fund:

Rate=1.62% for 20 years

Total Interest cost= $$2.01 million for 20 years; $1.51 million for 15 years

[Will have to pay additional $1.3 million in principal]

New Bond Issue, accept bids in open market:

Rate=3.25%

Total Interest Cost = $3.75 million for 20 years

Tennessee Municipal Bond Fund:

Rate = 3.11% fixed

Total Interest Cost = $2.66 million for 15 years

Direct Bank Loan:

Rate = 2.71% for 15 years; 2.58% for 10 year lock/15 year amortization

Total Interest Cost = $2.30 million, 15 years; $2.18 million, 10 year lock

Tennessee Municipal Bond Fund:

Rate = 1.55% variable rate (estimated average rate)

Total Interest Cost = $1.28 million for 15 years

Policy on Subordination of Tennessee Local Development Authority (TLDA) and State Revolving Fund (SRF) Program Debt

Background

The State Revolving Fund (SRF) loan program was created to provide financial assistance to local governments to address the health, safety and environmental requirements for clean water and safe drinking water. The program makes loans to qualified local governments (the "borrowers") at or below market rates loans to finance the infrastructure to address the above mentioned issues and to comply with federal EPA and state requirements. Although the SRF programs have successfully contributed to meeting the needs of over 150 communities since 1989, the program cannot meet all of the needs of the larger and faster-growing communities. As a result, some local governments must also issue its long-term debt in the capital markets to provide for funding needs. The blending of the rate of a SRF loan and the rate of debt sold in the capital markets has historically created average user fees that were lower than if the local government issued only its long-term debt.

The Tennessee Local Development Authority is delegated the responsibility for issuing bonds and notes to provide funds to make loans to (1) local governments for water, sewer and solid waste resource recovery facilities, (2) certain small business concerns for pollution control facilities, (3) local government units for capital projects, (4) farmers for certain capital improvements, (5) counties for the acquisition of equipment for use by county or volunteer fire departments serving unincorporated areas, (6) airport authorities and municipal airports, (7) mental health/mental retardation and drug facilities, and (8) reimburse reasonable and safe cleanup of petroleum sites.

T.C.A. §68-221-1003(7) et seq. defines a Local government as a county, incorporated town or city, metropolitan government, state agency, water/wastewater authority, energy authority or any instrumentality of government created by any one (1) or more of these or by an act of the general assembly. A Local government is also defined as any utility district created pursuant to title 7, chapter 82, existing on July 1, 1984, and which operates a wastewater facility; and also includes such utility district created after July 1, 1984, if such utility district operates a wastewater facility comprised of at least five hundred (500) customer connections.

Purpose

The purpose of this policy is to specify the lien position of the TLDA with respect to TLDA program borrowers' debt and establish guidelines and procedures for a local government that requests subordination of its existing TLDA or SRF indebtedness to its own outstanding debt that has been issued in the capital markets. Due to the nature of the SRF as a revolving loan fund, and the TLDA's responsiblity to ensure repayments of those funds, the TLDA does not make it a practice to grant permission to subordinate SRF debt. The following points will be considered in this process:

- The amount of debt that the Authority is willing to subordinate to the borrower while considering the following: State-shared taxes, other revenues, General Obligation (GO) pledge (other than the utility districts), increase in deposit amount required for the Utility District (UD)
- A requirement for a yearly report from the borrower, demonstrating they are meeting all loan covenants, for the life of the loan
- The debt rating of the borrower
- The amount of the borrower's revenue (as obtained from an independent source that is acceptable to the TLDA)
- The borrower's payment status (is current on all SRF debt, has not had a late payment in the past five years)
- The borrower's revenues from 10 number of largest users of the system do not constitute more than 10 percent of total system revenues

The policy applies to (a) local governments that have issued debt and have secured it with either a general obligation or revenue pledge, and (b) utility districts and authorities that either (i) sold debt directly in the capital markets and subsequently borrowed from the State Revolving Fund ("SRF") loan program, or (ii) borrowed from the SRF loan program and subsequently sold debt directly in the capital markets.

Effective Date

Immediately.

Policy

It is the Tennessee Local Development Authority's policy that it may consider the subordination of its debt to the debt of a local government upon the request of a borrower.

Analysis

TLDA program borrowers have inquired about the lien status of their SRF loans as compared to the lien status of the borrower's debt issued in the capital markets. They have also sought advice on the position of the debt service reserve fund and the perfection of the reserve for the payment of debt service in the event there is a default by the borrower. These questions provided the opportunity to document the analysis of the security opposition for the borrowers.

Office of State and Local Finance (SLF) staff with the assistance of the Office of the Attorney General, the Assistant to the Comptroller for Public Finance and staff from the Department of Environment and Conservation have examined this issue and have made the following conclusions:

For Municipalities

The concerns relating to parity are not significant for SRF loans approved for municipalities. Municipalities pledge user fees and charges and/or ad valorem taxes. They covenant to increase fees or the ad valorem tax levy to cover their expenses including depreciation. As further security, Local Governments pledge and assign their Unobligated State-Shared Taxes in an amount equal to the maximum annual debt service requirements under the Agreement. The ratio of debt service to State Shared Taxes is also considered. Loans are occasionally recommended even when debt service exceeds State-Shared Taxes and the financial analysis demonstrates the borrower's strong ability to pay. These borrowers have been determined to have strong management that has demonstrated a willingness to raise user fees if necessary. In the event a borrower fails to pay a delinquency within sixty days of receipt of a delinquency notice, the TLDA notifies the Commissioner of Finance and Administration who is obligated to withhold the delinquent amount from any State-Shared Taxes that were not previously obligated. Pursuant to Loan Agreement, a borrower acknowledges that it has no claim on State-Shared Taxes withheld under the Loan Agreement. (If multiple claims, first in time, first in line)

Pursuant to T.C.A. §68-221-1010, Local Governments may be referred to the Water and Wastewater Financing Board (the "WWFB") for failure to comply with the statute if there is an earnings deficit in any one year, has a negative change in net assets for any consecutive two-year period or is in default on any debt obligation. The WWFB can require the municipality to raise user fees and charges or to merge with other utilities to maintain financial stability.

For Utility Districts and Authorities

These same parity concerns are important to utility districts and authorities because the debt service payments of these entities are based on user fees and other revenues collected by the entity. By statute, the borrower pledges and assigns any funds due to the borrower from the State. In most cases, there are none. Similar to municipalities, any identified funds may be intercepted in the event of a delinquency.

Included in the Representations and Covenants of the Utility District or Authority Loan Agreement are the following:

- To advise the Department before applying for federal or other State assistance for the Project;

- To abide by and honor any further guarantees or securities as may be required by the State which are not in conflict with State or federal law;

- To do, file or cause to be done or filed any action or statement required to perfect or continue the lien(s) or Pledge(s) granted or created hereunder;

- To establish and collect, and to increase, user fees and charges as needed to pay the monthly installments due under this Agreement as well as the other cost of operation and maintenance including depreciation and debt service of the system of which the Project is a part;

- To establish and collect, and to increase user fees and charges sufficient to meet a 1.20X debt service coverage to net revenues. Net revenues are gross earnings, fees and charges, less current expenses. Current expenses are those incurred in the operation of the system, determined in accordance with generally accepted accounting principles (GAAP), including the reasonable and necessary costs of operating, maintaining, repairing and insuring the system, salaries, wages, cost of material and supplies, and insurance premiums, but shall specifically exclude depreciation and debt service payments. (Paragraph 7 (l))

- No additional debt payable from the revenues of the system will be issued or entered into unless

  (1) Prior approval is received from the Authority

  (2) The annual audit required by the terms of this Agreement for the most recent fiscal year has been delivered within six(6) months after the end of such fiscal year,

  (3) The covenant in Paragraph 7(l) was met for the most recent fiscal year,

  (4) The net revenues of the system for the next three fiscal years ending after the issuance of the additional debt shall be sufficient to comply with the covenant in Paragraph 7(l)

(5) The Local Government shall have adopted a revised schedule of rates and fees and taken action to put such revisions in effect at or prior to the issuance of the additional debt.

As additional security for the loan, prior to the first disbursement of funds under the loan agreement, the utility district or authority must deposit with the TLDA an amount of cash equal to the maximum annual debt service on the loan. This reserve must be funded from cash available to the utility district or authority exclusive of the amount of the loan.

These loans may take one of two positions:

(a) the SRF loan is issued first and subsequently the borrower needs to access the public market; or
(b) the borrower has outstanding debt, subsequently borrows from the SRF program and then once again may need to access to the public markets.

These positions raise the issue: What is the lien position of the SRF loan with respect to loan repayment and the debt service reserve fund?

To make this determination, staff examined the relevant statutes, loan agreements and other available information published by the federal government. We found and confirmed that:

(1) Neither the SRF statutes nor the loan agreements mandate a prior or parity lien status for the SRF loan.
(2) T.C.A. §9-22-101 et seq., "Perfection, Priority and Enforcement of Public Pledges and Liens Act" states that public obligations of the same issue shall be ratably secured . . .without priority unless otherwise authorized. It further states that any pledge is junior in priority to obligations created prior to the date of such pledge.
(3) The Utility Management Review Board ("UMRB") monitors all utility districts for timely and sufficient revenues. Should the revenues be insufficient, the UMRB requires the district to raise its rates to provide the necessary coverage. Prior to entering into the Loan Agreement, authorities must elect to place themselves under the jurisdiction of the UMRB or the WWFB for monitoring and compliance purposes.
(4) A goal of the TLDA is to provide financial assistance to local governments at the lowest possible cost to the users for safe drinking water and for clean water in Tennessee streams, rivers and other natural water ways.
(5) Additional educational materials provided by the Council for Infrastructure Authorities states that debt of the SRF program may be subordinated.

Conclusion

For Municipalities

(1) Parity is not an problem for municipalities that enter into SRF loans. In addition to the pledge of user fees, the municipality provides an ad valorem pledge and commits to the intercept of State-Shared Taxes. No debt service reserve fund is required. Municipalities should consult their bond or disclosure counsels to obtain advice on the appropriate loan disclosure in official statements for general obligation bonds or notes.

For Utility Districts and Regional Authorities

(1) If the SRF debt is issued prior to any public debt, the TLDA has the senior lien position, but the TLDA may, at the request of the borrower, subordinate its debt to any public debt thereafter issued by the borrower.

(2) If the public debt was issued prior to the SRF loan, the SRF loan is subordinate to the public debt previously issued by the borrower. If additional public debt is issued pursuant to that prior resolution, that debt also maintains a superior lien position to the SRF loan. However the borrower must seek approval from the Authority for the issuance of additional debt, must maintain all rate covenants and continue to meet all other requirements of the loan agreement.

Currently, under the loan agreement the debt service reserve fund should be held in the Local Government Investment Pool (LGIP) separate from the debt service reserve fund of any publicly issued debt.

Furthermore:

- At any time that a borrower wants to issue debt in the public market, it must seek approval from the TLDA
- It must meet the revenue covenants required in the loan agreement
- It must make a deposit to the debt service reserve fund from its own cash. This deposit is not a portion of the loan
- It must subject itself to the rules and regulations of the UMRB or the WWFB as the case may be.
- It must continuously meet all other requirements and covenants of the loan agreement

Given these requirements and the provisions of the law, staff continues to be comfortable recommending these borrowers for loans through the SRF program.

Dated 1/13/12

By: [signature]

Tennessee Local Development Authority
State Revolving Fund
Policy & Guidance for Borrowers

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Tennessee Local Development Authority
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Introduction

The purpose of the Clean Water State Revolving Fund and Drinking Water State Revolving Fund programs (together, the "SRF program") is to provide financial assistance to address federal and state health, safety, and environmental requirements for clean water and safe drinking water. Through the SRF program, local governments and water systems are eligible to apply for below market rate loans to finance the infrastructure to meet these requirements. The purpose of this Tennessee Local Development Authority State Revolving Fund Policy & Guidance for Borrowers ("Policy and Guidance") is to provide guidance to SRF program borrowers.

Over the years, the Tennessee Local Development Authority (the "TLDA") has established policies and other guidance to assist program borrowers. The TLDA has conducted a review of these documents with regards to their clarity and efficacy for SRF program borrowers, alignment with SRF program goals, and compliance with SRF program requirements. This resulting Policy and Guidance supersedes any policy or guidance previously approved by the TLDA, including, but not limited to:

- Incremental Funding Policy approved on August 26, 2008.
- Policy on Approval of Refundings Proposed by Utility Districts/Water and Wastewater Authorities approved on October 15, 2010.
- Policy on Subordination approved on January 13, 2012.
- Intent on Parity Status document approved on June 8, 2012.
- Loan Modification Policy approved on October 24, 2013.

Please note that the Tennessee General Assembly passed legislation in 2015 allowing privately owned for-profit community public water systems ("Private Systems") access to the Drinking Water SRF loan program. At the time of the approval of this Policy and Guidance, no loans have been made to Private Systems nor have any applications been received. As such, the policies and guidance included in this document are not at this time applicable to P~~p~~rivate S~~s~~ystems. Please refer to the section titled Privately Owned For-Profit Community Public Water Systems for more information on the enacted legislation.

Definitions

For purposes of this Policy and Guidance, terms defined in Tenn. Code Ann. Title 68, Chapter 221, Parts 10 and 12, shall have the same meaning as defined in those parts unless the context otherwise requires. Any subsequent amendment to definitions in those parts or statutes cited in the definitions below is hereby incorporated by this Policy and Guidance.

"Borrower" means any municipality, system, or utility district for which a SRF program loan has received final approval by the TLDA in accordance with Tenn. Code Ann. § 68-221-1005(c) or Tenn. Code Ann. § 68-221-1205(g) unless such loan has been paid in full.

"Municipality" means a county, incorporated town or city, or metropolitan government.

"State-shared taxes" has the same meaning as defined in Tenn. Code Ann. § 4-31-102.

"System" means:

(1) A water/wastewater authority or an energy authority; or

(2) Any instrumentality of government created by one or both of the entities described in this definition; a municipality; or by an act of the General Assembly, but does not mean a utility district.

"Utility district" or "UD" means a utility district formed pursuant to the Utility District Law, compiled in Title 7, Chapter 82.

“Privately owned for-profit community public water system” or “Private System” means a system eligible to apply for Drinking Water SRF program loans pursuant to Code of Federal Regulations (“CFR”) Part 35 and Tenn. Code Ann. § 68-221-1203(6).

“Tennessee Local Development Authority” or “TLDA” means the entity created by Tenn. Code Ann. Title 4, Chapter 31.

Tennessee Department of Environment and Conservation” or “TDEC” means the department created by Tenn. Code Ann. § 4-3-501.

Issuance of Additional Debt

<u>Purpose</u>

The SRF program provides Borrowers with low cost loans in order to fund water and wastewater projects; however, the program may not be able to meet all of the financing needs of all Borrowers or potential borrowers. Rapidly growing local governments, systems, and UDs may also need to issue additional debt in order to address their needs. By blending a below market interest rate SRF program loan(s) with the higher rate debt sold in the public market, these Borrowers may be able to incur lower overall costs and as a result, provide service to their customers at lower average user fees than would be available if such Borrowers relied solely upon directly issued public debt. While recognizing that there may be a need for additional borrowing outside of the SRF program, the TLDA has a responsibility to ensure the integrity of the program, which relies on the repayment of monies borrowed to fund future loans. As such, the TLDA must carefully consider any request from a Borrower which might impair the security for a Borrower's SRF program loan(s), including requests to modify lien position with respect to new debt.

This section provides guidance to Borrowers that wish to issue additional debt, clarifies the TLDA's position with respect to requests by Borrowers to modify the TLDA's lien position on SRF loans, and outlines factors to be analyzed by the TLDA when considering requests to modify such lien position.

<u>Utility Districts and Systems</u>

Requests from UD's and Systems to Issue Additional Revenue Debt

Since UD's and Systems do not have taxing authority, they cannot issue general obligation debt. Therefore, any additional debt issued by a UD or System that is a Borrower, would be payable from the same revenues that are pledged to repay the Borrower's SRF program loan ("SRF Loan"), and must first meet all representations and covenants in the Borrower's SRF loan agreement. All requests to issue such additional revenue debt must be approved by the TLDA prior to the issuance of such debt. In order to allow adequate time for such consideration, all requests should be submitted to the TLDA in writing at least 45 days prior to the anticipated issuance date.

Any request for which the Borrower seeks either parity or a senior lien position for the new revenue debt must specifically request such position in writing, and the TLDA must approve any modification of the SRF program's lien position prior to the issuance of any new debt. (See section titled <u>Lien Position</u>.)

If the additional revenue debt is being issued solely to refund previously outstanding debt, approval may be granted by the Vice-Chairman of the TLDA, as outlined below in the section titled <u>Approval for the Issuance of Refunding Debt</u>.

Borrowers should always consult their bond or disclosure counsel in order to obtain advice on the appropriate disclosure to be made in offering documents for any new debt concerning the lien held by the SRF program.

Approval for the Issuance of Refunding Debt

Due to short time frames required to take advantage of market conditions to achieve savings through the issuance of refunding debt, the Vice-Chairman of the TLDA is authorized to approve refunding debt proposed to be issued by a Borrower when:

- The refunding does not extend the life of the debt;
- The refunding debt is structured to generate debt service savings of at least 3 percent net present value savings of the refunded debt;
- Documentation is provided to the Vice-Chairman, in the form of a projected savings report certified by a financial advisor or underwriter, demonstrating such savings can be achieved;
- The Borrower is not requesting parity or senior lien position for the refunding debt;
- Staff has analyzed the transaction and has concluded that any prerequisites for TLDA approval of the issuance of additional debt have been met; and,
- The Borrower agrees to provide a final savings report to the Vice-Chairman, which shows the actual savings achieved by the refunding.

All requests should be submitted to the TLDA in writing at the same time that the plan of finance for the issuance of refunding debt is submitted to the Director of the Office of State and Local Finance pursuant to Tenn. Code Ann. § 7-82-501. The Vice-Chairman will report any such approvals at the next meeting of the TLDA. At that time, (or as soon as it is available), the Vice-Chairman will provide the final savings report to all members of the TLDA for review.

The Vice-Chairman will report any such approvals at the next meeting of the TLDA. At that time (or as soon as it is available), the Vice-Chairman will provide the final savings report to all members of the TLDA for review.

Security and Representations and Covenants Required for Consideration of a UD or System's Request to Issue Additional Revenue Debt

SRF loans to Utility Districts and Systems are secured by user fees and other revenues collected by the Borrowers. Utility Districts and Systems do not have State-shared or ad valorem taxes to pledge as security for SRF loans. In order to secure these loans, alternative procedures and covenants relating to these entities have been established. By statute, a UD or System Borrower pledges and assigns any funds due to it from the State. However, in most cases, there are no state funds due to a UD or System to intercept in the event of a delinquency.

The requirements summarized below are included in the representations and covenants made in the SRF loan agreements for Utility Districts and Systems:

- To do, file or cause to be done or filed any action or statement required to perfect or continue the lien(s) or pledge(s) granted or created under the loan agreement;

- To establish and collect, and to increase user fees and charges sufficient to meet a 1.20x debt service coverage to net revenues. Net revenues are gross earnings, fees and charges, less current expenses. Current expenses are those incurred in the operation of the system, determined in accordance with generally accepted accounting principles ("GAAP"), including the reasonable and necessary costs of operating, maintaining, repairing and insuring the system, salaries, wages, cost of material and supplies, and insurance premiums, but specifically excluding depreciation and debt service payments; and

- No additional debt payable from the revenues of the system will be issued or entered into unless:

(1) Prior approval is received from the TLDA;

(2) The annual audit required by the terms of the loan agreement for the most recent fiscal year has been delivered within six months after the end of such fiscal year;

(3) The covenant requiring 1.20x debt service coverage to net revenues was met for the most recent fiscal year;

(4) The net revenues of the system for the next three fiscal years ending after the issuance of the additional debt shall be sufficient to comply with the covenant to establish and collect user fees and charges sufficient to meet a 1.20x debt service coverage to net revenues; and

(5) The UD or System has adopted a revised schedule of rates and fees and taken action to put such revisions in effect at or prior to the issuance of the additional debt.

As additional security for a SRF Loan, prior to the first disbursement of funds under a SRF loan agreement, a Utility District or System must deposit with the TLDA an amount of cash equal to the maximum annual debt service on such SRF Loan (or a portion of such amount, to be paid in up to four equal installments in accordance with the section titled Incremental Funding of Security Deposit). This security deposit must be funded from cash available to a UD or System and no portion of a security deposit may be funded with proceeds of a SRF Loan.

Municipalities

Requests from Municipalities to Issue General Obligation Debt

Municipal Borrowers do not need to seek approval from or provide notification to the TLDA to issue general obligation debt unless such general obligation debt is also secured by a pledge of revenues derived from the water/wastewater system that is to be on parity with or senior to the SRF loan(s). In such case, see following section. ~~if the new general obligation debt will be considered to have a subordinate lien position to the SRF loan(s). However, if a Borrower intends to seek parity or senior lien position for its new general obligation debt, the Borrower must request in writing the approval of the TLDA. Such request should be submitted at least 45 days in advance (or as soon as possible) of proposed issuance of additional debt. The TLDA must approve any modification of the SRF program's lien position prior to the issuance of any general obligation debt (new money~~

~~or refunding). Borrowers should always consult bond or disclosure counsel in order to obtain advice on the appropriate disclosure to be made in offering documents for general obligation bonds or notes concerning the lien held by the SRF program.~~

Requests from Municipalities to Issue Revenue Debt

~~A~~ Municipal Borrowers do not need to seek approval from or provide notification to the TLDA ~~that intends~~ to issue revenue debt, which will be secured by a source of revenue other than the revenues of its water/wastewater system.~~,~~ ~~should notify the TLDA in writing prior to the issuance of such debt. The written communication should be made at least 45 days in advance (or as soon as possible), but no approval is required from the TLDA.~~ If the revenue debt will be secured by the revenues of the water/wastewater system, but the Borrower is not asking for parity or senior lien position, the Borrower should notify the TLDA in writing prior to the issuance of such debt and should include a statement that the Borrower understands that such debt will be subordinate to the SRF loan. The written communication should be made at least 45 days in advance (or as soon as possible), but no approval is required from the TLDA.

If a Borrower seeks parity or senior lien position for the revenue debt (new money or refunding), the Borrower must request in writing the approval of the TLDA. Such request should be submitted at least 45 days in advance of proposed issuance of additional debt or as soon as possible. The TLDA must approve any modification of the SRF program's lien position prior to the issuance of any revenue debt (new money or refunding). (See section titled Lien Position.)

Borrowers should always consult bond or disclosure counsel in order to obtain advice on the appropriate disclosure to be made in offering documents for any revenue debt concerning the lien held by the SRF program.

Encumbrance of State-Shared Taxes

If the additional debt involves a pledge of State-shared taxes, the Borrower must request in writing approval from the TLDA to encumber the Borrower's State-shared taxes, and the TLDA must approve any encumbrance of the Borrower's State-shared taxes prior to the issuance of any such new debt. Such request should be submitted at least 45 days in advance of the proposed issuance date of such debt or as soon as possible.

Lien Position

Requests from UD's, Systems, or Municipalities to Modify Lien Position

Generally, lien position, or lien priority, is determined by the date of the debt. The date of any SRF Loan shall be the date that the TLDA approves such loan request (as evidenced on the SRF loan agreement).

Following the general rule of lien priority, a new SRF loan will be issued subordinate to existing debt. Likewise, any debt issued after the approval of a SRF loan would be subordinate to such SRF loan. However, a Borrower may request a modification of such standard lien position. For example, a Borrower may have outstanding debt in the capital market and wish to obtain a SRF loan(s). The TLDA would consider a request to issue a new SRF loan(s) on parity with such existing debt. In another instance, a Borrower may have already entered into a SRF loan agreement(s) and wish to issue additional debt in the capital market. If a Borrower requests a modification of the TLDA's lien position to new debt, the TLDA will only consider a modification upon demonstration from a Borrower of good cause, sufficient resources to repay the SRF Loan(s), and ability to satisfy any other such requirements as set forth by the TLDA at the time of the request. ~~Therefore, in the absence of an approval by the TLDA to modify its lien position, any debt issued by a Borrower after the approval of a SRF Loan would be subordinate to the SRF Loan. However, if a Borrower requests a modification of the TLDA's lien position to new debt, the TLDA may consider a modification upon demonstration from a Borrower of good cause, sufficient resources to repay the SRF Loan(s), and ability to satisfy any other such requirements as set forth by the TLDA at the time of the request.~~

Because a request for subordination of SRF debt to a Borrower's debt may pose more risk to the SRF loan program than a request for parity, such a request warrants very careful consideration by the TLDA. The TLDA may approve a request for subordination under limited circumstances if a Borrower demonstrates a reasonable need, meets all requirements set forth by the TLDA, and the TLDA deems such request to be in the best interest of the Borrower and the users of the UD, System, or Municipal system.

All requests to modify a SRF program lien position must be approved by the TLDA prior to the issuance of any such debt (new money or refunding). In order to allow adequate time for such consideration, all requests should be submitted in writing to the TLDA at least 45 days prior (or as soon as possible) to the anticipated issuance date of such new debt.

Factors to be Considered for a Request to Modify Lien Position

The TLDA shall analyze several factors, as appropriate, when considering requests to issue additional debt payable, which would modify the SRF program's lien position. These factors shall include but are not limited to:

- Compliance of the Borrower with its SRF loan agreement(s) and covenants and representations set forth in the loan agreement;
- Amount of authorized and outstanding SRF program debt of the Borrower;
- Borrower's history of timely repayments of SRF loans;
- Borrower's timely filing of financial statements with the Division of Local Government Audit, Tennessee Comptroller of the Treasury;
- Purpose and amount of proposed debt issuance;
- Borrower's credit rating (if applicable);
- Current and pro-forma (projected) debt service coverage;
- Amount of unobligated state-shared taxes (if applicable);
- The system's reliance on revenues generated from its largest user(s) as a percentage of total system revenues;

- The lien position of existing SRF debt remains the same or is improved; and
- Impact on the health, safety, and well-being of the people of the state of Tennessee.

Consent to Modify Lien Position

Any consent by the TLDA to modify its SRF program lien position applies only to revenues pledged to serve the SRF loan~~,~~. ~~and/or ad valorem taxes (if applicable).~~ Consent to modify the SRF lien position does not affect any pledge of State-shared taxes or any rights to security deposits held by the TLDA (if applicable).

Consent of the TLDA to modify the SRF program's lien position is subject to the condition that the documentation authorizing the new debt: 1) clearly states that debtholders have no rights to any security deposits required by, and securing, the SRF loan agreement(s) and 2) does not provide debtholders acceleration rights that are superior to, or more generous than, those provided under the SRF loan agreement(s). Neither the TLDA nor the TDEC shall have any rights to any debt service reserve fund established in favor of the new debt.

The Borrower will be responsible for ensuring completeness and correctness of all documents. The TLDA makes no representation that the issuance of additional debt by the Borrower is in compliance with all applicable laws, or that such issuance is in the best interest of the Borrower. The TLDA is not a municipal financial advisor, and offers no financial advice to Borrowers concerning such requests.

Report on Debt Obligation

A Report on Debt Obligation (the "Report") must be prepared for all debt obligations issued or entered into by any public entity and filed with its governing body with a copy sent to the Office of State and Local Finance/Comptroller of the Treasury for the State of Tennessee. The purpose for the Report is to provide clear and concise information to members of the governing or legislative body that authorized and is responsible for the debt issued. More information on this Report is included as a resource for local governments on the Comptroller's Office of State and Local Finance website.

Disclosure

The Electronic Municipal Market Access (EMMA) website was created by the Municipal Rulemaking Securities Board (MSRB) to provide municipal market information, such as official statements, continuing disclosure documents, advanced refunding documents, and trade data for all municipal securities in the United States. All local government issuers are required to perform continuing disclosure undertakings related to Securities and Exchange Commission Rule 15c2-12 via EMMA.

A local government may need to disclose information concerning its SRF program loan(s) on the MSRB's EMMA website. The local government should consult with counsel to determine what the appropriate disclosures should be. More information about EMMA can be found on the MSRB's website.

Forgiveness of Principal

<u>Purpose</u>

Beginning with a capitalization grant received as a part of the American Recovery and Reinvestment Act of 2009, the U.S. Environmental Protection Agency ("EPA") has required, as a condition of acceptance of the annual EPA Capitalization Grant that the SRF program set aside a portion of the funds received from such grant in order to subsidize the loans to eligible Borrowers. Pursuant to Tenn. Code Ann. § 68-221-1005(*l*)(1), "[t]he department and the authority may use any federal funds allocated to the state to make loans and to subsidize loans made through the program authorized by this part, through such mechanisms as forgiveness of principal and negative interest rates." The Intended Use Plan ("IUP") prepared by TDEC is a required part of TDEC's annual application for the EPA Capitalization Grants. This document outlines the percent of principal forgiveness that will be given for each loan made from that EPA Capitalization Grant. No principal shall be forgiven except as required by the IUP and specified in the SRF loan agreements. Furthermore, privately owned for-profit community public water systems eligible for SRF loans pursuant to 40 CFR Part 35 shall not be considered for loans with principal forgiveness pursuant to Tenn. Code Ann. § 68-221-1206(f)(11)(A).

<u>Terms and Conditions</u>

SRF loan agreements that provide for principal forgiveness shall specify the amount of principal to be forgiven. Funds disbursed to a Borrower that has been awarded principal forgiveness, shall be disbursed pro rata as principal forgiveness and loan. If a Borrower submits requests for reimbursement that total an amount less than the total SRF program funding that the Borrower was awarded, then pro rata shares of principal forgiveness and loan shall be deemed to have been disbursed. For example:

Project A

Total SRF Funding Awarded:	**$1,000,000**
Total Principal Forgiveness Awarded:	$ 150,000 (15%)
Total Loan Awarded:	$ 850,000 (85%)
Reimbursement Request #1:	**$ 350,000**
Principal Forgiveness:	$ 52,500 (15%)
Loan Amount to be Repaid:	$ 297,500 (85%)

Reimbursement Request #2:	**$ 300,000**
Principal Forgiveness:	$ 45,000 (15%)
Loan Amount to be Repaid:	$ 255,000 (85%)
Reimbursement Request #3 (Final):	**$ 300,000**
Principal Forgiveness:	$ 45,000 (15%)
Loan Amount to be Repaid:	$ 255,000 (85%)
Total Disbursements to Borrower:	**$ 950,000**
Total Principal Forgiveness:	$ 142,500 (15%)
Total Loan Amount to be Repaid:	$ 807,500 (85%)

Incremental Funding of Security Deposit for Utility Districts and Systems

Purpose

Pursuant to Section 8 of the loan agreement for Utility Districts and Systems, a security deposit is required in an amount of funds equal to the maximum annual debt service.

Section 8 of the loan agreement states in part:

> Prior to the first disbursement of funds under this Agreement, the Local Government will deposit with the Authority an amount of funds equal to the maximum annual debt service (the "security deposit"). The amount of the security deposit will be adjusted to reflect adjustments in the payment schedule.

The amount of the security deposit is calculated based on the total approved loan amount. It is important to note that the SRF program operates on a reimbursement basis, but will not reimburse a Borrower with loan proceeds to fund the security deposit. A Borrower must fund the required deposit from its own resources prior to any disbursement of loan proceeds. The TLDA recognizes that although a Borrower may have increased user rates and fees to generate necessary cash flow needed for a project, sufficient cash flow might not be available at the beginning of a project to fully fund the security deposit up front, since the construction period during which loan proceeds are disbursed could take one to three years. Consequently, the TLDA authorizes its Assistant Secretary, upon the concurrence of TDEC, to approve Borrower requests for incremental funding of security deposits.

Upon approval of incremental funding by the Assistant Secretary, a Borrower would be allowed to deposit with the TLDA its security deposit in up to four equal installments (see Exhibit A). The

Assistant Secretary shall use his/her discretion to recommend the number of installments that will be allowed, based upon the amount of the required security deposit. Upon the concurrence of TDEC with such recommendation, the Assistant Secretary will notify the Borrower of the required incremental amount to be deposited. Then a pro rata share of project reimbursement requests may be disbursed upon the deposit of the first increment. Project reimbursement requests in excess of the amount supported by the then current security deposit will not be honored until the next required increment of funding is received and deposited.

Terms and Conditions

Such allowance for incremental funding of a security deposit is subject to the following:

- The Borrower has submitted a request in writing to the TLDA and has received written approval from the Assistant Secretary;
- The Borrower has provided staff with financial statements that demonstrate the Borrower's ability to make the approved incremental installments from current or projected cash flows; and
- The construction completion date for the project as outlined in the Loan Conditions section of the SRF loan agreement must be at least two (2) years after the date that the loan was approved by the TLDA.

The Borrower may request disbursements in any amount and at any frequency within the conditions listed above.

A Borrower who has been granted approval for incremental funding of the security deposit:

- Has no right to additional reimbursements of project costs under the SRF loan agreement until the required increment of the security deposit has been received and deposited by TLDA staff; and
- Is eligible to earn and receive interest only on the amount of the security deposit held by the TLDA.

Exhibit A

This example illustrates the concept of incremental funding. The funding for the security deposit is divided into four equal installments.

Loan Amount	$	20,000,000
Term		20 years
Interest Rate		2.50%
Annual Debt Service	$	1,271,767

Required Security Deposit		Amount Supported				
$	317,942	$	1	to	$	5,000,000
$	635,883	$	5,000,001	to	$	10,000,000
$	953,825	$	10,000,001	to	$	15,000,000
$	1,271,767	$	15,000,001	to	$	20,000,000

Modification of SRF Program Loan Repayment Schedules for Financially Distressed Borrowers

Purpose

The TLDA wants to be responsive to Borrowers who may be in financially difficult situations. However, the TLDA has a responsibility to ensure the integrity of the SRF program, which relies on the repayment of monies borrowed to fund future loans. As such, the TLDA must carefully consider any request from a Borrower which may impact the SRF program, including requests to modify loan repayment schedules.

Terms and Conditions

The TLDA will consider modification of SRF loan repayment schedules only if:

(1) The Comptroller has filed a copy of the Borrower's audited financial statements with the Utility Management Review Board pursuant to Tenn. Code Ann. §7-82-703(a) or the Borrower's audit report with the Water and Wastewater Financing Board pursuant to Tenn. Code Ann. § 68-221-1010(a); or

(2) A significant event beyond the control of the Borrower occurs and impacts the Borrower's ability to repay the SRF Loan, such as:

- A natural disaster; or
- Loss (or reduction in capacity) of a large customer (commercial, industrial, governmental); or
- Similar unforeseen event despite prudent action having been taken; or

(3) The TLDA deems such action to be for the benefit of the people of the state in the performance of essential public functions and that such action serves a public purpose in improving and otherwise promoting the health, welfare, and prosperity of the people of the state.

In considering a request to modify a SRF loan repayment schedule, the TLDA will take into account whether or not the Borrower has:

- Implemented or is about to implement a plan to adopt a multi-year rate schedule to address its financial difficulties;
- Rates sufficient to cover debt service on a new debt issuance for capital improvements necessary to bring the Borrower in compliance with any TDEC administrative orders, including, but not limited to: Agreed Orders, Commissioner's Orders, Director's Orders, or Consent Decrees;
- A history of timely debt service payments on the loan to the SRF program in accordance with the current payment schedule;
- A plan to attract new customers or to expand the existing customer base;
- A plan to reduce expenses or make efficiency improvements to the system; and
- A debt management policy compliant with the State Funding Board's directive under Tenn. Code Ann. § 9-21-151 that addresses actions to be taken to avoid default or to provide adequate rates to service debt (rates will be set to provide at least a 1.20x debt service coverage).

Such requests for modification of a SRF loan repayment schedule should be made in writing to the TLDA.

Relief

The TLDA may offer as relief a reduction or waiver of the interest due on the loan for a specified period of time. In the event of a disaster or catastrophic loss, additional measures may be considered on a case-by-case basis by the TLDA. However, no principal will be forgiven except as originally contemplated under federal directives and approved by the TLDA in the loan agreement.

A Borrower in financial distress with outstanding capital market securities may be required to disclose the financial distress as an event pursuant to SEC Rule 15c2-12. Borrowers should seek the advice of bond or disclosure counsel in determining what disclosure is appropriate.

Privately Owned For-Profit Community Public Water Systems

On April 20, 2015, Public Chapter No. 207 amended Tenn. Code Ann. § 68-221-1203(6) to allow privately owned for-profit community public water systems access to the Drinking Water State Revolving Fund. However, Private Systems are not eligible for loans from the Clean Water State Revolving Fund.

Terms and Conditions

Tennessee state law includes terms and conditions for Private Systems that seek Drinking Water SRF program funding.

Tenn. Code Ann. § 68-221-1206(f)(11) stipulates that loans may be made to Private Systems pursuant to 40 CFR Part 35; provided, that:

- No Private System shall be considered for loans with principal forgiveness under this program;
- Private Systems shall be categorized as one hundred percent (100%) ability to pay on the index established pursuant to § 68-221-1205;
- A Private System borrower shall have at least a debt/service coverage ratio of 1.25;
- Private Systems shall provide security determined by the TLDA to be acceptable to secure a loan under this part; and
- The TLDA has the authority to direct a Private System to the water and wastewater financing board for compliance as set forth in § 68-221-1009 and § 68-221-1010, and by the Comptroller of the Treasury.

At the time of the approval of this Policy and Guidance, no loans have been made to Private Systems nor have any applications been received. Therefore, the policies and guidance included in this document are not at this time applicable to Private Systems.

Adoption of Policy and Guidance

The TLDA adopted this Policy and Guidance on ______________, 2016, effective on ______________, 2016.

____

Vice Chair

Tennessee Local Development Authority

Resolution 2015-85

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND PAYMENT OF UP TO $12,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER AND SEWER SYSTEM REVENUE BONDS OF THE CITY OF FRANKLIN, TENNESSEE AND MAKING PROVISION FOR THE OPERATION OF THE WATER AND SEWER SYSTEM OF THE MUNICIPALITY AND THE COLLECTION AND DISPOSITION OF ITS REVENUES.

BE IT RESOLVED by the Board of Mayor and Aldermen of the City of Franklin, Tennessee, as follows:

1. Authority; Findings.

a. The City of Franklin, Tennessee (the "Municipality") is duly incorporated pursuant to Chapter 79 of the 1903 Private Acts of Tennessee, as amended.

b. The Municipality owns and operates a water and a sewer system (collectively, the "System").

c. Sections 7-34-101, *et seq.*,Tennessee Code Annotated, as amended (the "Act"), authorizes the Municipality to issue bonds and use the proceeds therefrom to finance extensions and improvements to the System and pay costs of issuance in connection with the issuance of such bonds.

d. The Board of Mayor and Aldermen of the Municipality hereby finds that it is advisable to issue bonds to finance extensions and improvements to the System and that such bonds be payable solely from the Net Revenues (as defined herein) of the System.

e. The Municipality has heretofore submitted a request (the "Parity Request") to the Tennessee Local Development Authority ("TLDA") to permit the not to exceed $12,000,000 water and sewer system revenue bonds authorized herein (the "Series 2016 Bonds") to be issued on a parity of lien with the Municipality's (i) two Revolving Fund Loan Agreements, each dated October 26, 2009, by and among the Municipality, Tennessee Department of Environment and Conservation ("TDEC") and TLDA, and (ii) two Revolving Fund Loan Agreements for the System's SCADA (supervisory control and data acquisition) system, each approved by the TLDA on June 16, 2016, to be by and among the Municipality, TDEC and TLDA (collectively, the "Prior SRF Loans"). If the TLDA does not grant the Parity Request, the Series 2016 Bonds will be issued on a lien subordinate to that of the Prior SRF Loans.

f. Attached hereto as Exhibit B are preliminary estimates of debt service and costs of issuance for the Series 2016 Bonds.

2. Definitions. The following terms shall have the following meanings in this Resolution unless the text expressly or by necessary implication requires otherwise:

a. "Acquired System" shall mean any water procurement, treatment, storage or distribution system and any sewage collection, transmission, treatment and disposal system acquired by the Municipality pursuant to the Act.

b. “Act” shall have the meaning ascribed in Section 1.

c. “Balloon Indebtedness” shall mean any bonds, notes or other indebtedness, other than Short-Term Indebtedness, 25% or more of the initial principal amount of which matures (or must be redeemed at the option of the holder) during any twelve month period, if such 25% or more is not to be amortized to below 25% by mandatory redemption prior to the beginning of such twelve month period. Any Balloon Indebtedness that is considered to be “balloon indebtedness” for purposes of Section 9-21-134 of the Tennessee Code Annotated must be approved by the Director of State and Local Finance of the Office of the Tennessee Comptroller of the Treasury prior to the adoption of a supplemental resolution authorizing such Balloon Indebtedness unless such Balloon Indebtedness qualifies for an exception pursuant to Section 9-21-134 of the Tennessee Code Annotated.

d. “Bond Fund” shall mean the Principal and Interest Sinking Fund established herein.

e. “Bonds” means the Series 2016 Bonds and any Parity Obligations.

f. “Book-Entry Form” or “Book-Entry System” means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository, or to its nominee as registered owner, with the certificate of bonds being held by and “immobilized” in the custody of such Depository, and under which records maintained by persons, other than the Municipality or the Registration Agent, constitute the written record that identifies, and records the transfer of, the beneficial “book-entry” interests in those bonds.

g. “Capital Appreciation Bonds” shall mean bonds which bear interest at a stated interest rate of 0.0% per annum, have a value on any applicable date equal to the Compound Accreted Value thereof on that date, and are payable only at maturity or earlier redemption.

h. “Chief Financial Officer” means the Municipality’s Assistant City Administrator and Finance & Administration/CFO.

i. “City Administrator” means the Municipality’s City Administrator/Recorder.

j. “Code” means the Internal Revenue Code of 1986, as amended, and any lawful regulations promulgated or proposed thereunder.

k. “Compound Accreted Value” shall mean the value at any applicable date of any Capital Appreciation Bonds computed as the original principal amount thereof for each maturity date plus an amount equal to interest on said principal amount (computed on the basis of a 360-day year of twelve 30-day months) compounded semiannually on such dates as shall be established by the resolution authorizing Capital Appreciation Bonds, from the dated date to said applicable date at an interest rate which will produce at maturity the Maturity Amount for such maturity date.

l. “Construction Fund” means the 2016 Construction Fund established herein.

m. “Credit Facility” means any municipal bond insurance policy, letter of credit, surety bond, line of credit, guarantee, or other agreement under which any person other than the Municipality provides additional security for any Bonds and guarantees timely payment of or purchase price equal to the principal of and interest on all or a portion of any Bond and shall include any Reserve Fund Credit Facility.

n. "Current Expenses" means expenses incurred by the Municipality in the operation, maintenance and repair of the System, determined in accordance with generally accepted accounting principles; provided however that in lieu of tax payments, depreciation, amortization and interest on any bonds, notes or other obligations of the Municipality shall be excluded from the definition of Current Expenses.

o. "Debt Service Requirement" means the total System principal, Maturity Amounts and interest coming due, whether at maturity or upon mandatory redemption (less any amount of interest that is capitalized and payable with the proceeds of debt on deposit with the Municipality or any paying agent for the Bonds or other obligations of the System), for any period of 12 consecutive calendar months for which such a determination is made, provided:

(a) The Debt Service requirement with respect to Variable Rate Indebtedness shall be determined as if the variable rate in effect at all times during future periods equaled, at the option of the Municipality, either (A) the average of the actual variable rate which was in effect (weighted according to the length of the period during which each such variable rate was in effect) for the most recent 12-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a 12-month period), or (B) the current average annual fixed rate of interest on securities of similar quality having a similar maturity date, as certified by a Municipal Advisor.

(b) For the purpose of calculating the Debt Service Requirement on Balloon Indebtedness and Short Term Indebtedness, at the option of the Municipality, (i) the actual principal and interest on such Balloon Indebtedness and Short Term Indebtedness shall be included in the Debt Service Requirement, subject to the other assumptions contained herein, or (ii) such Balloon Indebtedness and Short Term Indebtedness shall be assumed to be amortized in substantially equal annual amounts to be paid for principal and interest over an assumed amortization period of 20 years at an assumed interest rate (which shall be the interest rate certified by a Municipal Advisor to be the interest rate at which the Municipality could reasonably expect to borrow the same amount by issuing bonds with the same priority of lien as such Balloon Indebtedness and Short Term Indebtedness and with a 20-year term); provided, however, that if the maturity of such Balloon Indebtedness is in excess of 20 years from the date of issuance, then such Balloon Indebtedness shall be assumed to be amortized in substantially equal annual amounts to be paid for principal and interest over an assumed amortization period of years equal to the number of years from the date of issuance of such Balloon Indebtedness to maturity and at the interest rate applicable to such Balloon Indebtedness; provided further that this paragraph (b) shall not be applicable for purposes of determining the Municipality's Debt Service Requirement for purposes of Section 13(e) of this resolution (Rate Covenant) unless the Municipality has set aside sufficient funds for the retirement of, or the Municipality's Governing Body has adopted a resolution directing the refinancing of, at least 90% of the principal amount of such Balloon Indebtedness or Short Term Indebtedness coming due in the relevant Fiscal Year.

p. "Defeasance Obligations" shall mean any obligations which at the time of the purchase thereof are permitted investments under the Act or other applicable Tennessee law for the purpose of defeasing Bonds.

q. "Depository" means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC.

r. "DTC" means The Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns.

s. "Financial Guaranty Agreement" shall mean any Financial Guaranty Agreement authorized herein to be executed in connection with a Reserve Fund Credit Facility.

t. "Fiscal Year" means the fiscal year adopted by the Municipality from time to time with respect to the System.

u. "Governing Body" means the Board of Mayor and Aldermen of the Municipality.

v. "Gross Earnings" means all revenues, rentals, earnings and income of the System from whatever source, determined in accordance with generally accepted accounting principles, including all revenues derived from the operation of the System and all amounts realized from the investment of funds of the System (excluding any investment earnings from construction or improvement funds created for the deposit of bond proceeds pending use, to the extent such income is applied to the purposes for which the bonds were issued, and funds created to defease any outstanding obligations of the System); provided, however, at the election of the Governing Body, the term "Gross Earnings" as used herein shall not include any revenues, rentals, earnings or other income received by the Municipality from the operation of an Acquired System, and any bonds or other obligations issued in connection with such Acquired System shall not be payable from or secured by Net Revenues or be deemed to be Parity Obligations.

w. "Loan Agreement" means any agreement or contract entered into by the Municipality concerning the System whereby a third party agrees to advance funds to the Municipality for the System and the Municipality agrees to repay those funds with interest, including, but not limited to, state revolving fund loan agreements.

x. "Maturity Amount" shall mean the Compound Accreted Value on the stated maturity date of a Capital Appreciation Bond.

y. "Maximum Annual Debt Service Requirement" means the maximum annual Debt Service Requirement for any Fiscal Year of the System.

z. "Mayor" means the duly elected and acting Mayor of the Municipality, or any other member of the Governing Body acting in the capacity of the Mayor when the elected and acting Mayor is unavailable or incapable of acting.

aa. "Municipal Advisor" means an investment banking or Municipal Advisory firm, commercial bank, or any other person who or which is retained by the Municipality for the purpose of passing on questions relating to the availability and terms of specified types of debt obligations or the financial condition or operation of the System and is actively engaged in and, in the good faith opinion of the Municipality, has a favorable reputation for skill and experience in providing municipal advisory services of the type with respect to which the Municipal Advisor has been retained. With respect to the issuance of the Series 2016 Bonds, the Municipal Advisor for the Municipality shall mean PFM Financial Advisors LLC.

bb. “Municipality” shall have the meaning ascribed in Section 1.

cc. “Net Revenues” shall mean Gross Earnings, excluding any profits or losses on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets, less Current Expenses.

dd. “Parity Obligations” means bonds, notes, Loan Agreements, and other debt obligations, including Balloon Indebtedness, Short Term Indebtedness and Variable Rate Indebtedness, issued or entered into by the Municipality for the System on a parity with the Series 2016 Bonds herein authorized in accordance with the restrictive provisions hereof, including any bonds or other obligations secured by a pledge of and/or lien on an Acquired System and the revenues derived from the operation of such Acquired System (provided such pledge and lien are subject only to normal and customary expenses of operating, maintaining, repairing and insuring any such System), so long as the Acquired System is not being operated separately from the System as is permitted herein or the revenues from such Acquired System are not excluded from Gross Earnings.

ee. “Prior Bond Resolutions” means the resolutions authorizing the Prior Lien Obligations.

ff. “Prior Lien Obligations” means the Municipality’s outstanding Sewer and Water Revenue and Tax Refunding Bonds, Series 2005, dated March 30, 2005, maturing April 1, 2016 through April 1, 2025, inclusive; outstanding Sewer and Water Revenue and Tax Refunding Bonds, Series 2011, dated September 29, 2011, maturing May 25, 2026; two Revolving Fund Loan Agreements, each dated October 26, 2009, by and among the Municipality, TDEC and TLDA; and two Revolving Fund Loan Agreements for the System’s SCADA system, each approved by the TLDA on June 16, 2016, to be by and among the Municipality, TDEC and TLDA. If the Parity Request is approved, the Prior SRF Loans will no longer be included within the definition of “Prior Lien Obligations” and will instead be included within the definition of “Parity Obligations.”

gg. “Projects” means extensions and improvements to the System.

hh. “Rating” means a rating in one of the categories by a Rating Agency, disregarding pluses, minuses, and numerical gradations.

ii. “Rating Agencies” or “Rating Agency” means Fitch, Moody’s, and Standard & Poor’s or any successors thereto and any other nationally recognized credit rating agency.

jj. “Registration Agent” means the registration and paying agent determined by the Mayor to be registration and paying agent for the Bonds, or any successor designated by the Governing Body.

kk. “Reserve Fund” shall mean the Debt Service Reserve Fund established herein.

ll. "Reserve Fund Credit Facility" means a municipal bond insurance policy, surety bond, letter of credit, line of credit, guarantee or other agreement provided by a Reserve Fund Credit Facility Issuer which provides for payment of amounts equal to all or any portion of the Reserve Fund Requirement in the event of an insufficiency of moneys in the Bond Fund to pay when due principal of and interest on all or a portion of the Bonds.

mm. "Reserve Fund Credit Facility Issuer" means the issuer of a Reserve Fund Credit Facility rated, at the time at which such Reserve Fund Credit Facility is purchased, not less than the second-highest rating category (without regard to gradations within such category) by each Rating Agency that rates such Reserve Fund Credit Facility Issuer and which also rates any Bonds secured by such Reserve Fund Credit Facility.

nn. "Reserve Fund Requirement" means an amount determined from time to time by the Municipality as a reasonable reserve, if any, for the payment of principal of and interest on a series of Bonds pursuant to the resolution authorizing such Bonds. With respect to the Series 2016 Bonds authorized herein, there shall be no Reserve Fund Requirement until such time as the Municipality shall have failed, for two consecutive Fiscal Years, to produce Net Revenues sufficient to satisfy the rate covenant test set forth in Section 13(e), but assuming solely for this purpose that the 125% coverage requirement of Section 13(e)(2)(a) is instead read as a 150% coverage requirement. At such time and from time to time thereafter, the Reserve Fund Requirement with respect to the Series 2016 Bonds shall be the least of (a) 10% of the original stated principal amount of the Series 2016 Bonds; (b) the remaining Maximum Annual Debt Service Requirement on the Series 2016 Bonds, on a Fiscal Year basis; or (c) 125% of the remaining average Debt Service Requirement on the Series 2016 Bonds, on a Fiscal Year basis; and shall be funded as set forth in Section 12(b)(4) hereof.

oo. "Revenue Fund" shall mean the Revenue Fund established herein.

pp. "Series 2016 Bonds" means not to exceed $12,000,000 in aggregate principal amount of water and sewer system revenue bonds, authorized to be issued by this Resolution.

qq. "Short Term Indebtedness" means bonds, notes, Loan Agreements or other debt obligations of the System maturing five years or less from their date of issuance, issued by the Municipality as Parity Obligations pursuant to the terms hereof.

rr. "State" means the State of Tennessee.

ss. "Subordinate Lien Bonds" means bonds, notes, Loan Agreement or other debt obligations issued pursuant to this Resolution but with a lien subordinate to the Bonds.

tt. "System" shall have the meaning ascribed in Section 1, and shall include all facilities hereafter acquired, constructed or otherwise established, together with and including all properties of every nature hereafter owned by the Municipality as part of its water and sewer system, including all improvements and extensions made by the Municipality to said system while the Bonds remain outstanding, and including all real and personal property of every nature comprising part of or used or useful in connection with the foregoing, and including all appurtenances, contracts, leases, franchises, and other intangibles; provided, however, at the election of the Governing Body, an Acquired System may be included within the System as defined herein and become a part thereof or, at the election of the Governing Body, not become a part of the System but be operated as a separate and independent system by the Governing Body with the continuing right, upon the election of the Governing Body, to incorporate such separately Acquired System within the System.

uu. "Variable Rate Indebtedness" means any Parity Obligations, the interest rate on which is subject to periodic adjustment, at intervals, at such times and in such manner as shall be determined by the resolution authorizing such Parity Obligations; provided that if the interest rate shall have been fixed for the remainder of the term thereof, it shall no longer be Variable Rate Indebtedness.

3. Authorization and Terms of the Series 2016 Bonds.

a. General Terms. The Governing Body hereby authorizes the issuance of a series of water and sewer system revenue bonds of the Municipality in an aggregate principal amount up to $12,000,000.

1) The Bonds shall be issued to:

a) finance the costs of the Projects (including any reimbursement therefor); and

b) pay bond issuance costs.

2) The bonds shall be known as "Water and Sewer System Revenue Bonds, Series 2016" or such other name as may be selected by the Mayor.

3) The Series 2016 Bonds shall be dated the date of their delivery.

4) The Series 2016 Bonds shall bear interest payable semi-annually on each February 1 and August 1, commencing February 1, 2017, at a rate not to exceed the maximum interest rate permitted by applicable Tennessee law.

5) Principal on the Series 2016 Bonds shall be payable annually on the first day of February, commencing February 1, 2017 and ending no later than February 1, 2036. The Mayor shall determine the actual schedule of principal amortization and set it forth in the certificate awarding the sale of the Series 2016 Bonds.

b. Optional Redemption. The Series 2016 Bonds shall be subject to redemption on February 1, 2026, in whole or in part, at a redemption price of par plus accrued interest to the date of redemption. If less than all the Series 2016 Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Governing Body in its discretion. If less than all of the Series 2016 Bonds within a single maturity shall be called for redemption, the Series 2016 Bonds within the maturity to be redeemed shall be selected as follows:

1) if the Series 2016 Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Series 2016 Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

2) if the Series 2016 Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series 2016 Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot

or such other random manner as the Registration Agent in its discretion shall determine.

c. Mandatory Redemption. The Mayor is authorized to sell the Series 2016 Bonds, or any maturities thereof, as term bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the Mayor. In the event any or all of the Series 2016 Bonds are sold as term bonds, the Municipality shall redeem term bonds on redemption dates corresponding to the maturity dates set forth herein, in aggregate principal amounts equal to the maturity amounts set forth herein for each redemption date, as such maturity amounts shall be set forth in the certificate awarding the Series 2016 Bonds, at a price of par plus accrued interest thereon to the date of redemption. The term bonds to be so redeemed shall be selected in the manner described in subsection (b) above. At its option, to be exercised on or before the 45th day next preceding any such mandatory redemption date, the Municipality may (i) deliver to the Registration Agent for cancellation Series 2016 Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Series 2016 Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Series 2016 Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Municipality on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Series 2016 Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Municipality shall on or before the 45th day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

d. Redemption Notices. Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the Municipality not less than 20 nor more than 60 days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Series 2016 Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Series 2016 Bond registration records of the Registration Agent as of the date of the notice. Failure to mail such notice or any defect in any such notice so mailed shall not affect the sufficiency of the proceedings for redemption of any of the Series 2016 Bonds for which proper notice was given, and failure of any owner to receive such notice if properly given in the manner described above shall not affect the validity of the proceedings of the redemption of the Series 2016 Bonds held by such owner. An optional redemption notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Series 2016 Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Series 2016 Bonds, as and when above provided, and neither the Municipality nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the Municipality pursuant to written instructions from an authorized representative of the Municipality (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least 45 days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Series 2016 Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the Municipality to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

e. Registration of Bonds. The Series 2016 Bonds shall be issued in fully registered, book-entry form, without coupons. The Mayor is authorized to appoint the Registration Agent. The Municipality hereby authorizes and directs the Registration Agent so appointed to maintain Series 2016 Bond registration records with respect to the Series 2016 Bonds, to authenticate and deliver the Series 2016 Bonds as provided herein, either at original issuance or upon transfer, to effect transfers of the Series 2016 Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Series 2016 Bonds as provided herein, to cancel and destroy Series 2016 Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the Municipality at least annually a certificate of destruction with respect to Series 2016 Bonds canceled and destroyed, and to furnish the Municipality at least annually an audit confirmation of Series 2016 Bonds paid, Series 2016 Bonds outstanding and payments made with respect to interest on the Series 2016 Bonds. The Mayor is hereby authorized to execute and the City Administrator is hereby authorized to attest such written agreement between the Municipality and the Registration Agent as they shall deem necessary and proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

f. Payment of Bonds. The Series 2016 Bonds shall be payable, both principal and interest, in lawful money of the United States of America at the main office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Series 2016 Bonds by check or draft on each interest payment date directly to the registered owners as shown on the Series 2016 Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owners at their addresses shown on said Series 2016 Bond registration records, without, except for final payment, the presentation or surrender of such registered Series 2016 Bonds, and all such payments shall discharge the obligations of the Municipality in respect of such Series 2016 Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Series 2016 Bonds shall be made upon presentation and surrender of such Series 2016 Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a 360-day year composed of twelve months of 30 days each. If requested by any registered owner of at least $1,000,000 in aggregate principal amount of the Series 2016 Bonds, payment of interest on such Series

2016 Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

g. Defaulted Interest. Any interest on any Series 2016 Bond that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the Municipality to the persons in whose names the Series 2016 Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Municipality shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Series 2016 Bond and the date of the proposed payment, and at the same time the Municipality shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than fifteen nor less than ten days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the Municipality of such Special Record Date and, in the name and at the expense of the Municipality, not less than ten days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each registered owner at the address thereof as it appears in the Series 2016 Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Series 2016 Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the Municipality to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Series 2016 Bonds when due.

h. Transfer and Exchange of Bonds. The Series 2016 Bonds shall be issued initially in $5,000 denominations or any integral multiple thereof as shall be requested by the Underwriter. The Series 2016 Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his or her legal representative duly authorized in writing, of the registered Series 2016 Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Series 2016 Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Series 2016 Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Series 2016 Bond or the Series 2016 Bond to the assignee(s) in $5,000 denominations, or any integral multiple in excess thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Series 2016 Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Series 2016 Bond, nor to transfer or exchange any Series 2016 Bond after the publication of notice calling such Series 2016 Bond for redemption has been made, nor to transfer or exchange any Series 2016 Bond during the period following the receipt of instructions from the Municipality to call such Series 2016 Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Series 2016 Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Series 2016 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Series 2016 Bonds shall be overdue. The Series 2016 Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Series 2016 Bonds of the same maturity in any authorized denomination or denominations.

i. Execution of Bonds. The Series 2016 Bonds shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf of the Municipality, by the Mayor and attested by the City Administrator.

j. Book-Entry Registration. Except as otherwise provided in this Resolution, the Series 2016 Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. References in this Section to a Series 2016 Bond or the Series 2016 Bonds shall be construed to mean the Series 2016 Bond or the Series 2016 Bonds that are held under the Book-Entry System. One Series 2016 Bond for each maturity shall be issued to DTC and immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Series 2016 Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Series 2016 Bonds. Beneficial ownership interests in the Series 2016 Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Series 2016 Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Series 2016 Bonds. Transfers of ownership interests in the Series 2016 Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE SERIES 2016 BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO. AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2016 BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Series 2016 Bonds, so long as DTC is the only owner of the Series 2016 Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representation relating to the Municipality (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The Municipality and the Registration

Agent shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Series 2016 Bonds or (2) the Municipality determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Series 2016 Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Series 2016 Bonds, the Municipality shall discontinue the Book-Entry System with DTC. If the Municipality fails to identify another qualified securities depository to replace DTC, the Municipality shall cause the Registration Agent to authenticate and deliver replacement Series 2016 Bonds in the form of fully registered Series 2016 Bonds to each Beneficial Owner.

THE MUNICIPALITY AND THE REGISTRATION AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE SERIES 2016 BONDS; (II) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (III) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2016 BONDS; (IV) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OR ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS; (V) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2016 BONDS; OR (VI) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Series 2016 Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Series 2016 Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Series 2016 Bonds and provision of notices with respect to Series 2016 Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interests of any of the owners of the Series 2016 Bonds; provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

k. <u>Authentication and Delivery</u>. The Registration Agent is hereby authorized to authenticate and deliver the Series 2016 Bonds to the Underwriter, upon receipt by the Municipality of the proceeds of the sale thereof and to authenticate and deliver Series 2016 Bonds in exchange for Series 2016 Bonds of the same principal amount delivered for transfer upon receipt of the Series 2016 Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Series 2016 Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Series 2016 Bond form.

l. Replacement Bonds. In case any Series 2016 Bond shall become mutilated, or be lost, stolen, or destroyed, the Municipality, in its discretion, shall issue, and the Registration Agent, upon written direction from the Municipality, shall authenticate and deliver, a new Series 2016 Bond of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Series 2016 Bond, or in lieu of and in substitution for such lost, stolen or destroyed Series 2016 Bond, or if any such Series 2016 Bond shall have matured or shall be about to mature, instead of issuing a substituted Series 2016 Bond, the Municipality may pay or authorize payment of such Series 2016 Bond without surrender thereof. In every case, the applicant shall furnish evidence satisfactory to the Municipality and the Registration Agent of the destruction, theft or loss of such Series 2016 Bond, and indemnity satisfactory to the Municipality and the Registration Agent; and the Municipality may charge the applicant for the issue of such new Series 2016 Bond an amount sufficient to reimburse the Municipality for the expense incurred by it in the issue thereof.

4. Form of Series 2016 Bonds. The Series 2016 Bonds shall be in substantially the form attached hereto as Exhibit A. The form of the Series 2016 Bond set forth in Exhibit A hereto shall be conformed to reflect any changes made pursuant to Section 6.

5. Source of and Security for Payment. The Series 2016 Bonds shall be payable solely from and secured by a pledge of the Net Revenues subject to a prior lien of such Net Revenues in favor of the Prior Lien Obligations. The punctual payment of principal of and premium, if any, and interest on the Series 2016 Bonds shall be secured equally and ratably by the Net Revenues without priority by reason of series, number or time of sale or delivery. The Net Revenues are hereby irrevocably pledged to the punctual payment of such principal, premium, if any, and interest as the same become due. The Series 2016 Bonds do not constitute a debt of the State of Tennessee, or any political subdivision thereof, or municipal corporation therein, other than the Municipality, and no holder of the Series 2016 Bonds shall have recourse to the taxing power of any such entities.

6. Sale of the Series 2016 Bonds; Changes Authorized.

a. The Series 2016 Bonds shall be offered by public competitive sale, in one or more series, by the Mayor, in consultation with the Chief Financial Officer, City Administrator, and Municipal Advisor, by physical delivery of bids or by electronic bidding by means of an Internet bidding service at a price of not less than ninety-nine percent (99%) of par, plus accrued interest.

b. The Mayor is authorized to award the Series 2016 Bonds to the bidder whose bid results in the lowest true interest cost to the Municipality, provided the rate does not exceed the rate permitted by applicable Tennessee law. The award of the Series 2016 Bonds by the Mayor to the lowest bidder shall be binding on the Municipality, and no further action of the Governing Body with respect thereto shall be required.

c. The Mayor and the City Administrator are authorized to cause the Series 2016 Bonds to be authenticated by the Registration Agent and delivered to the successful bidder, and to execute, publish, and deliver all certificates and documents as they shall deem necessary in connection with the sale and delivery of the Series 2016 Bonds, including certificates and agreements setting forth covenants of the Municipality as required by the issuer of any bond insurance policy.

d. The Mayor is authorized to cause all or a portion of the Series 2016 Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company if such insurance is requested and paid for by the winning bidder of the Series 2016 Bonds, or any series thereof.

e. In connection with the sale of the Series 2016 Bonds, the Mayor, in consultation with the Chief Financial Officer, City Administrator, and Municipal Advisor, is authorized to:

1) adjust the principal amount of the Series 2016 Bonds below $12,000,000;

2) change principal and/or interest payment dates;

3) establish the principal amortization schedule for the Series 2016 Bonds, provided that the final maturity date shall not be later than that set forth in Section 3(a);

4) remove or adjust the optional redemption terms for the Series 2016 Bonds; and

5) establish any mandatory redemption terms of the Series 2016 Bonds.

Any such changes shall be set forth in the form of bond attached hereto as Exhibit A.

f. The Mayor is authorized to enter into an engagement letter with the Municipal Advisor in connection with the issuance of the Series 2016 Bonds and with Bass, Berry & Sims PLC, as bond counsel and disclosure counsel to the Municipality in connection with the issuance of the Series 2016 Bonds, and all actions heretofore taken to engage the Municipal Advisor and Bass, Berry &Sims PLC are hereby ratified and approved. The engagement letters of PFM Financial Advisors LLC, as Municipal Advisor to the Series 2016 Bonds, and Bass, Berry & Sims PLC, as bond counsel and disclosure counsel to the Municipality for the Series 2016 Bonds, are attached hereto as Exhibit C and Exhibit D, respectively.

7. Application of Proceeds of Series 2016 Bonds. The proceeds from the sale of the Series 2016 Bonds shall be immediately deposited with a financial institution regulated by the Federal Deposit Insurance Corporation or similar or successor federal agency in a special fund hereby created and known as the 2016 Construction Fund (the "Construction Fund") to be kept separate and apart from all other funds of the Municipality and the System. The funds in the Construction Fund shall be disbursed solely to pay the costs of the Projects and costs of issuance of the Bonds, including necessary legal, accounting, engineering, architectural and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, rating agency fees, Registration Agent fees, bond insurance premiums (if any) and other necessary miscellaneous expenses incurred in connection with the Projects and the issuance and sale of the Bonds. Moneys in the Construction Fund shall be invested as directed by the Chief Financial Officer in such investments as shall be permitted by applicable law and the earnings thereon shall be retained in the Construction Fund and used for the same purposes as all other funds in the Construction Fund or paid to the Bond Fund to be used to pay interest on the Bonds, as the Chief Financial Officer in his discretion shall determine. Any monies remaining after completion of the Projects shall be transferred to the Bond Fund.

8. Official Statement for the Series 2016 Bonds. If requested by the successful bidder for the Series 2016 Bonds and if required by Rule 15c2-12 of the Securities and Exchange Commission, the Mayor, Chief Financial Officer, City Administrator, or any of them, are hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement

describing the Series 2016 Bonds and the System. The Mayor, Chief Financial Officer, City Administrator, or any of them, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The Mayor, Chief Financial Officer, City Administrator, or any of them, shall arrange for the delivery to the winning bidder of the Series 2016 Bonds of a reasonable number of copies of the Official Statement within seven business days after the Series 2016 Bonds have been sold for delivery by the winning bidder to each potential investor requesting a copy of the Official Statement. The Mayor, Chief Financial Officer, City Administrator, or any of them, are authorized, on behalf of the Municipality, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Municipality except for the omission in the Preliminary Official Statement of such pricing and other information.

9. Continuing Disclosure for the Series 2016 Bonds. The Mayor is hereby authorized, if required by Rule 15c2-12 of the Securities and Exchange Commission, to enter into an agreement to provide annual financial information and notice of the occurrence or nonoccurrence of specified events to the holders of the Series 2016 Bonds. Failure of the Municipality to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Series 2016 Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Municipality to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specified performance.

10. Federal Tax Matters Related to the Series 2016 Bonds.

a. The Series 2016 Bonds will be issued as federally tax-exempt bonds. The Municipality hereby covenants that it will not use, or permit the use of, any proceeds of the Series 2016 Bonds in a manner that would cause the Series 2016 Bonds to be subjected to treatment under Section 148 of the Code, and applicable regulations thereunder, as an "arbitrage bond". To that end, the Municipality shall comply with applicable regulations adopted under said Section 148. The Municipality further covenants with the registered owners from time to time of the Series 2016 Bonds that it will, throughout the term of the Series 2016 Bonds and through the date that the final rebate, if any, must be made to the United States in accordance with Section 148 of the Code, comply with the provisions of Sections 103 and 141 through 150 of the Code and all regulations proposed and promulgated thereunder that must be satisfied in order that interest on the Series 2016 Bonds shall be and continue to be excluded from gross income for federal income tax purposes under Section 103 of the Code.

b. It is reasonably expected that the Municipality will reimburse itself for certain expenditures made by it in connection with the Projects by issuing the Series 2016 Bonds. This resolution shall be placed in the minutes of the Governing Body and shall be made available for inspection by the general public at the office of the Governing Body. This resolution constitutes a declaration of official intent under Treas. Reg. § 1.150-2.

c. The Mayor, City Administrator and Chief Financial Officer are authorized and directed, on behalf of the Municipality, to execute and deliver all such certificates and documents that may be required of the Municipality in order to comply with the provisions of this Section related to the issuance of the Series 2016 Bonds.

11. Prohibition of Prior Lien; Parity Obligations; Subordinate Lien Bonds. The Municipality will issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenues of the System having priority over the Prior Lien Obligations or the Series 2016 Bonds, including debt obligations issued on parity with the Prior Lien Obligations. Additional bonds, notes, Loan Agreements or obligations may hereafter be issued on parity with the Series 2016 Bonds under the following conditions but not otherwise:

a. Any refunding obligation issued to refund a series of Bonds if the refunding is expected to reduce the total debt service payments on the Bonds to be refunded.

b. Obligations (including refunding obligations which do not meet the requirements of (a)) if all of the following conditions are satisfied:

1) Receipt of a report from a Municipal Advisor or an engineer with expertise in systems such as the System, or provision of a certificate by the Chief Financial Officer stating that the historical net revenues of the System for either (i) a period of 12 consecutive months of the most recent 24 consecutive months prior to the issuance of the proposed Parity Obligations, or (ii) the most recent audited Fiscal Year, were equal to at least 130% of maximum annual debt service on the Series 2016 Bonds, all Parity Obligations, and Prior Lien Obligations which will be outstanding in the then current and each succeeding Fiscal Year. The report or certificate may contain pro forma adjustments to historical net revenues equal to 100% of the increased annual amount attributable to any revision in the schedule of rates, fees, and charges for the services and facilities furnished by the System, imposed prior to the date of delivery of the proposed Parity Obligations and not fully reflected in the historical net revenues actually received during such historical period used.

2) All payments required to be made into funds established by resolutions authorizing Parity Obligations and Prior Lien Obligations are current.

3) The resolution authorizing the proposed Parity Obligations must require the proceeds of such proposed Parity Obligations to be used to make capital improvements to or capital acquisitions for the System, to fund interest on the proposed Parity Obligations, to refund other obligations issued for such purposes (whether or not such refunding Parity Obligations satisfy the requirements of (a)), for any other legal purpose under applicable law as evidenced by an opinion of nationally recognized bond counsel, and/or to pay expenses incidental thereto and to the issuance of the proposed Parity Obligations.

4) The Chief Financial Officer shall have certified, by written certificate dated as of the date of issuance of the Parity Obligations, that the Municipality is in compliance with all requirements of this Resolution.

All the provisions and covenants of this Resolution relating to negotiability and registration of Bonds, creation and investment of funds and the application of revenues, the operation of the System and charges for services of the System, the remedies of owners of the Bonds, the issuance of additional bonds, modification of this Resolution, the defeasance of Bonds, and such other provisions hereof as are appropriate may be incorporated by reference into supplemental resolutions authorizing additional bonds, and said provisions, when so incorporated, shall be equally applicable to the additional bonds issued pursuant to the terms of this Section in all respects and with like force and effect as though said provisions were recited in full in said supplemental resolutions and shall continue to be applicable so long as any such bonds remain outstanding.

Notwithstanding anything herein to the contrary, each series of Parity Obligations may be issued with or without a Reserve Fund Requirement, may require cash funding of the Reserve Fund, if any, and may provide for the funding of the Reserve Fund, if any, over such period of time as is acceptable to the purchaser of such Parity Obligations, all as specified in the resolution authorizing such Parity Obligations. Any such Parity Obligations shall be secured only by the Reserve Fund specified in the resolution authorizing such series of Parity Obligations and shall have no right to receive any payment from the Reserve Fund established for any other series of bonds, whether such additional bonds are issued as Parity Obligations or Subordinate Lien Bonds. Any series of Parity Obligations may be issued in Book-Entry From and may be registered in the name of DTC or such other Depository as may be determined by the Municipality, all to be specified in the resolution authorizing such Parity Obligations.

In addition to Parity Obligations issued in accordance with the foregoing, the Municipality may issue Subordinate Lien Bonds, subject to the terms of this Resolution or otherwise, provided that the security for such Subordinate Lien Bonds shall be subject in all respects to the lien in favor of the Bonds.

The punctual payment of principal of, premium, if any, and interest on the Series 2016 Bonds and any Parity Obligations shall be secured equally and ratably by the Net Revenues, without priority by reason of number or time of sale or execution or delivery.

12. <u>Funds, Accounts and Subaccounts; Application of Revenues</u>.

a. The following funds, accounts and subaccounts are hereby established, and the money deposited in such funds, accounts and subaccounts shall be held in trust for the purposes set forth in this Resolution:

1) Revenue Fund (the "Revenue Fund") to be held by the Municipality;

2) Principal and Interest Sinking Fund (the "Bond Fund") to be held by the Municipality, and within the Bond Fund:

a) Interest Account, with further subaccounts therein for each series of Bonds; provided a subaccount therein may be utilized for more than one series of Bonds if all such series of Bonds share exactly the same lien status on the Net Revenues.

b) Principal Account, with further subaccounts therein for each series of Bonds; provided a subaccount therein may be utilized for more than one series of Bonds if all such series of Bonds share exactly the same lien status on the Net Revenues.

3) Debt Service Reserve Fund (the "Reserve Fund"), with an account for each series of Bonds which has a Reserve Fund Requirement; provided an account therein may be utilized for more than one series of Bonds if all such series of Bonds are

specified in the resolution authorizing such Bonds to share a pledge of such account and have a combined Reserve Fund Requirement. Nothing herein shall prohibit the Municipality from issuing one or more series of Bonds without a Reserve Fund Requirement and no deposit to the Reserve Fund and no Reserve Fund Credit Facility shall be required in connection therewith.

b. From and after the delivery of any of the Series 2016 Bonds hereunder, and as long as any of the Bonds shall be outstanding and unpaid either as to principal or as to interest, or until the discharge and satisfaction of all the Bonds, the Gross Earnings of the System shall be deposited as collected by the Municipality to the Revenue Fund hereby established (the "Revenue Fund"), administered and controlled by the Municipality; provided that the Gross Earnings shall first be first applied as required by the Prior Bond Resolutions. The funds so deposited in the Revenue Fund created under this Resolution shall be used only as follows:

1) The money in the Revenue Fund shall be used first from month to month for the payment of Current Expenses.

2) The money thereafter remaining in the Revenue Fund shall next be used to make deposits into the Sinking Fund to be further deposited in the Interest Account and the Principal Account as set forth herein and used to pay principal of and interest on the Bonds as the same become due, either by maturity or mandatory redemption. Such deposits shall be made monthly until the Bonds are paid in full or discharged and satisfied pursuant to the defeasance provisions of this Resolution, beginning in the month next following delivery of the Series 2016 Bonds. Each monthly deposit as to interest for such Bonds shall be an amount equal to not less than one-sixth ($1/6^{th}$) of the interest coming due on such Bonds on the next interest payment date net of any interest earnings on such amounts; provided that proportionately greater monthly amounts shall be deposited to account for any initial period of less than six months following the issuance of Bonds. Each monthly deposit as to principal for such Bonds shall be an amount equal to not less than one-twelfth ($1/12^{th}$) of the principal amount and/or Maturity Amount coming due on such Bonds, whether by maturity or mandatory redemption, on the next principal payment date net of any interest earnings on such amounts; provided that proportionately greater monthly amounts shall be deposited to account for any initial period of less than 12 months following the issuance of Bonds. No further deposit shall be required as to any Bonds when the Sinking Fund balance is equal to or greater than the amount needed to pay interest on the next interest payment date and the total of the principal amounts payable, either by maturity or mandatory redemption, during the applicable twelve-month period. Notwithstanding the foregoing, deposits for payment of interest and principal on Variable Rate Indebtedness shall be made as set forth in the resolution authorizing such Variable Rate Indebtedness, and if interest is not paid semi-annually and/or principal is not paid annually with respect to any Bonds, the deposits may be adjusted by the Municipality as provided in the resolution authorizing the issuance of such Bonds. Money in the Bond Fund shall be used and is hereby expressly pledged for the purpose of paying principal of and interest on the Bonds.

3) The next available money in the Revenue Fund shall be paid to any Reserve Fund Credit Facility Issuer or Issuers (pro rata, if more than one) to the extent needed to reimburse the Reserve Fund Credit Facility Issuer for amounts advanced by the

Reserve Fund Credit Facility Issuer or Issuers under the Reserve Fund Credit Facility, including any amounts payable under any Financial Guaranty Agreement, together with reasonable related expenses incurred by the Reserve Fund Credit Facility Issuer and interest as provided in the Financial Guaranty Agreement.

4) To the extent any series of the Bonds has a Reserve Fund Requirement and such Reserve Fund Requirement is not fully satisfied by a Reserve Fund Credit Facility or Facilities or funds of the Municipality, or a combination thereof, the next available money in the Revenue Fund shall be used to make deposits into the applicable subaccount of the Reserve Fund. No deposit shall be required to be made to the Reserve Fund unless the amount in the Reserve Fund, together with the Reserve Fund Credit Facility or Facilities, if any, becomes less than the applicable Reserve Fund Requirement. In the event deposits to the Reserve Fund shall be required pursuant to the preceding sentence, said deposits shall be payable monthly as hereafter provided and each deposit shall be in a minimum amount equal to 1/24th of the difference between the Reserve Fund Requirement and the amount in each subaccount of said Fund, together with the Reserve Fund Credit Facility or Facilities, if any, immediately following the occurrence of such deficiency, so that any deficiency in any subaccount of said Fund shall be replenished over a period of not greater than twenty-four (24) consecutive months; provided, any monthly payments in excess of said minimum payments shall be a credit against the next ensuing payment or payments. Any deposits required to be made hereunder shall be made monthly at the same time as deposits are made to the Bond Fund, commencing the first month in which the amount in the Fund, together with the Reserve Fund Credit Facility or Facilities, if any, is less than the Reserve Fund Requirement. All deposits to the Reserve Fund shall be made from the first money in the Revenue Fund thereafter received which shall not then be required to pay Current Expenses, satisfy the contractual obligations set forth in the Prior Bond Resolutions, be transferred into the Bond Fund, or to be paid to the Reserve Fund Credit Facility Issuer or Issuers as above provided. Money in the Reserve Fund shall be used solely for the purpose of paying principal of or interest on the Bonds for the payment of which funds are not available in the Bond Fund. Funds in excess of the Reserve Fund Requirement may be released to be used by the Municipality for legally permissible System purposes.

At the option of the Municipality, the Municipality may satisfy the Reserve Fund Requirement applicable to a series of Bonds, or a portion thereof, by providing for the benefit of owners of such series of Bonds a Reserve Fund Credit Facility or Facilities, at any time, in an amount not greater than the Reserve Fund Requirement applicable to such series of Bonds and release an equal amount of funds on deposit in the corresponding subaccount of the Reserve Fund to be used by the Municipality for legally permissible purposes. At any time during the term hereof, the Municipality shall have the right and option to substitute a new Reserve Fund Credit Facility or Facilities for any Reserve Fund Credit Facility or Facilities previously delivered, upon notice to the Registration Agent and the Reserve Fund Credit Facility Issuer or Issuers and delivery of a Reserve Fund Credit Facility or Facilities in substitution therefor. In the event of the issuance of Parity Obligations pursuant to the restrictive provisions of Section 11 hereof with a Reserve Fund Requirement or the substitution of a Reserve Fund Credit Facility or Facilities for less than the full amount of the Reserve Fund Requirement, the Municipality shall satisfy the applicable Reserve Fund Requirement by depositing funds to the

Reserve Fund or obtaining a Reserve Fund Credit Facility or Facilities, or any combination thereof, in an aggregate amount equal to the applicable Reserve Fund Requirement for the series of Bonds taking into account any funds then held therein or the amount of any Reserve Fund Credit Facility or Facilities then in effect.

In the event of the necessity of a withdrawal of funds from the Reserve Fund during a time when the Reserve Fund Requirement is being satisfied by a Reserve Fund Credit Facility or Facilities and funds of the Municipality, the funds shall be disbursed completely before any demand is made on the Reserve Fund Credit Facility. In the event all or a portion of the Reserve Fund Requirement is satisfied by more than one Reserve Fund Credit Facility, any demand for payment shall be pro rata between or among the Reserve Fund Credit Facilities. If a disbursement is made by demand on a Reserve Fund Credit Facility, the Municipality, from Revenues after payment of Current Expenses, satisfaction of the contractual obligations set forth in the Prior Bond Resolutions and required deposits to the Bond Fund, shall reimburse the Reserve Fund Credit Facility Issuer for all amounts advanced under the Reserve Fund Credit Facility (pro rata, if more than one Reserve Fund Credit Facility), including all amounts payable under any Financial Guaranty Agreement or Agreements, and then replenish the Reserve Fund as provided herein.

In the event the Reserve Fund Requirement, or any part thereof, shall be satisfied with a Reserve Fund Credit Facility or Facilities, notwithstanding the terms of Section 16 hereof, the terms, covenants, liability and liens provided or created herein or in any resolution supplemental hereto shall remain in full force and effect and said terms, covenants, liability and liens shall not terminate until all amounts payable under any Financial Guaranty Agreement have been paid in full and all obligations thereunder performed in full. If the Municipality shall fail to pay when due all amounts payable under any Financial Guaranty Agreement, the Reserve Fund Credit Facility Issuer shall be entitled to exercise any and all remedies available at law or under this Resolution other than remedies that would adversely affect owners of Bonds.

It shall be the responsibility of the Registration Agent to maintain adequate records, verified with the Reserve Fund Credit Facility Issuer or Issuers, as to the amount available to be drawn at any given time under the Reserve Fund Credit Facility or Facilities and as to the amounts paid and owing to the Reserve Fund Credit Facility Issuer or Issuers under the terms of any Financial Guaranty Agreement and to provide notice to the Reserve Fund Credit Facility Issuer at least two days before any payment is due. The Reserve Fund Credit Facility Issuer shall receive notice of the resignation or removal of the Registration Agent and the appointment of a successor thereto.

The Municipality may issue Parity Obligations without a Reserve Fund Requirement, as shall be specified in the bond resolution authorizing such Parity Obligations.

5) The next available money in the Revenue Fund shall be used for the purpose of the payment of principal of and interest on (including reasonable reserves therefor) any Subordinate Lien Bonds or other obligations payable from revenues of the System, but junior and subordinate to the Bonds, and may thereafter be used by

the Municipality for any legally permissible System purpose, as the Governing Body shall determine.

c. Money on deposit in the Funds described in this Section may be invested by the Municipality in such investments as shall be permitted by applicable law, as determined by an authorized representative of the Municipality, all such investments to mature not later than the date on which the money so invested shall be required for the purpose for which the respective Fund was created. All income derived from such investments shall be regarded as revenues of the System and shall be deposited in the Revenue Fund. Such investments shall at any time necessary be liquidated and the proceeds thereof applied to the purpose for which the respective Fund was created; provided, however, that in no event shall moneys in the Reserve Fund be invested in instruments that mature more than two years from the date the money is so invested. The Municipality is authorized to enter into contracts with third parties for the investment of funds in any of the Funds described herein.

d. The Revenue Fund, the Bond Fund, and the Reserve Fund (except to the extent funded with a Reserve Fund Credit Facility or Facilities) shall be held and maintained by the Municipality and, when not invested, kept on deposit with a bank or financial institution regulated by and the deposits of which are insured by the Federal Deposit Insurance Corporation or similar federal agency. All moneys in such Funds so deposited shall at all times be secured to the extent and in the manner required by applicable State law.

13. Covenants Regarding the Operation of the System. The Municipality hereby covenants and agrees with the owners of the Bonds so long as any of the Bonds shall remain outstanding:

a. The Municipality shall maintain the System in good condition and operate the System in an efficient manner and at reasonable cost and conduct all activities associated therewith or incident thereto.

b. The Municipality shall maintain insurance on the properties of the System of a kind and in an amount which would normally be carried by private companies engaged in a similar type and size of business, provided, the Municipality shall not be required to insure beyond the limits of immunity provided by Sections 29-20-101 et seq., Tennessee Code Annotated, or other applicable law. The proceeds of any such insurance, except public liability insurance, shall be used to replace the part or parts of the System damaged or destroyed, or, if not so used, shall be placed in the Revenue Fund.

c. The Municipality will cause to be kept proper books and accounts adapted to the System, will cause the books and accounts to be audited at the end of each Fiscal Year by a recognized independent certified public accountant or a firm of such accountant or accountants and, upon written request, will make available to any registered owner of the Bonds the balance sheet and the profit and loss statement of the System as certified by such accountant or accountants. Each such audit, in addition to whatever matters may be thought proper by the accountant or accountants to be included therein, shall include the following:

1) A statement in detail of the revenues and expenditures of the System and the excess of revenues over expenditures for the Fiscal Year;

2) A statement showing beginning and ending balances of each Fund described herein;

3) A balance sheet as of the end of the Fiscal Year;

4) The accountant's comments regarding the manner in which the Municipality has carried out the requirements of this Resolution and the accountant's recommendations with respect to any change or improvement in the operation of the System;

5) A list of insurance policies related to the System in force at the end of the Fiscal Year, setting out as to each policy the amount of the policy, the risks covered, the name of the insurer and the expiration date of the policy;

6) The number and classifications of customer service connections to the System as of the end of the Fiscal Year;

7) The disposition of any Bond proceeds during the Fiscal Year;

8) A statement as to all breaches or defaults hereunder by the Municipality of which the accountant or accountants have knowledge or, in the alternative, a statement that they have no knowledge of any such breach or default.

All expenses incurred in the making of the audits required by this subsection shall be regarded and paid as Current Expenses. The Municipality further agrees to cause copies of such audits to be furnished to the registered owner of any of the Bonds, at the written request thereof, within one year after the close of each Fiscal Year. The registered owner of any of the Bonds shall have at all reasonable times the right to inspect the System and the records, accounts and data of the Municipality relating thereto. If the Municipality fails to provide the audits and reports required by this subsection, the registered owner or owners of twenty-five percent (25%) in principal amount of the Bonds may cause such audits and reports to be prepared at the expense of the Municipality.

d. The Municipality will faithfully and punctually perform all duties with reference to the System required by the constitution and laws of the State, including the making and collecting of reasonable and sufficient rates for services rendered by the System, and will apply the revenues of the System to the purposes and Funds specified in this Resolution.

e. The Municipality shall continuously own, control, operate, and maintain the System in an efficient and economical manner and on a revenue-producing basis and shall at all times prescribe, fix, maintain, and collect rates, fees, and other charges for the services and facilities furnished by the System fully sufficient at all times:

1) for 100% of the Current Expenses and for the accumulation in the Revenue Fund of a reasonable reserve therefor, in an amount, if any, as shall be determined from time to time by the Municipality; and

2) such that Net Revenues in each Fiscal Year:

a) will equal at least 125% of the Debt Service Requirement on all Bonds and Prior Lien Obligations, and 100% of the debt service requirement on any Subordinate Lien Bonds or other obligations then outstanding for such Fiscal Year; provided that the Municipality may calculate the debt service requirement on Subordinate Lien Bonds in the manner prescribed for the Bonds in the definition of “Debt Service Requirement”;

b) will enable the Municipality to make all required payments, if any, into the Reserve Fund and on any Credit Facility Agreement;

c) will enable the Municipality to accumulate an amount, which, in the judgment of the Municipality, is adequate to meet the costs of major renewals, replacements, repairs, additions, betterments, and improvements to the System, necessary to keep the same in good operating condition or as is required by any governmental agency having jurisdiction over the System;

d) will remedy all deficiencies in required payments into any of the funds and accounts mentioned in this Resolution from prior Fiscal Years; and

e) will permit the Municipality to comply with the terms of any agreement that the Municipality has entered into to purchase water.

f. The Municipality will not sell, lease, mortgage, or in any manner dispose of the System, or any part thereof, including any and all extensions and additions that may be made thereto, or any facility necessary for the operation thereof; provided, however, the use of any of the System facilities may at any time be permanently abandoned or any of the System facilities sold at fair market value, provided that:

1) The Municipality is in full compliance with all covenants and undertakings in connection with all bonds, notes and other obligations then outstanding and payable from the revenues of the System and any required reserve funds for such bonds, notes and other obligations have been fully established and contributions thereto are current;

2) Any sale proceeds will be applied either (A) to redemption of Bonds or Prior Lien Obligations in accordance with the provisions governing the repayment thereof in advance of maturity, or (B) to the purchase of Bonds or Prior Lien Obligations at the market price thereof so long as such price does not exceed the amount at which they could be redeemed on such date or the next optional redemption date as set forth herein or in their authorizing resolutions, or (C) to the construction or acquisition of facilities in replacement of the facilities so disposed of or other facilities constituting capital improvements to the System, or (D) the deposit to a replacement fund to be used to make capital improvements to the System;

3) The abandonment, sale or disposition is for the purpose of disposing of facilities which are no longer necessary or no longer useful to the operation of the System and the operation of the System or revenue producing capacity of the System is not materially impaired by such abandonment, sale or disposition or any facilities acquired in replacement thereof are of equivalent or greater value; and

4) The Municipality shall have received an opinion of nationally recognized bond counsel to the effect that such sale, lease, mortgage or other disposition will not jeopardize the exclusion from federal income taxation of interest on any Bonds

then outstanding intended to be excludable from gross income for federal income tax purposes.

Nothing herein is intended to prohibit the lease-purchase of equipment or facilities of the System hereafter to be put in service or to prohibit the transfer or exchange of service areas to provide for more efficient operation of the System so long as the Municipality is in full compliance with the covenants set forth herein immediately following such transfer or exchange.

g. Prior to the beginning of each Fiscal Year, the Governing Body shall prepare, or cause to be prepared, and adopted an annual budget of estimated revenues, Current Expenses, and capital expenditures for the System for the ensuing Fiscal Year in compliance with the rate covenant set forth in subsection (e) above, and will undertake to operate the System within such budget to the best of its ability. Copies of such budgets and amendments thereto will be made available to any registered owner of a Bond upon written request. The Municipality covenants that Current Expenses and capital expenditures incurred in any Fiscal Year will not exceed the reasonable and necessary amounts therefor and that the Municipality will not expend any amounts or incur any obligations therefor in excess of the amounts provided for Current Expenses and capital expenditures in the budget except upon resolution of the Governing Body.

h. The Municipality will not construct, finance or grant a franchise for the development or operation of facilities that compete for service with the services to be provided by the System or consent to the provision of any such services in the area currently served by the Municipality by any other public or private entity and will take all steps necessary and proper, including appropriate legal action to prevent any such entity from providing such service; provided, nothing herein contained shall prohibit the transfer or exchange of service areas to provide for more efficient operation of the System so long as the Municipality is in full compliance with the covenants set forth herein immediately following such transfer or exchange.

14. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Municipality and the registered owners of the Bonds, and after the issuance of the Series 2016 Bonds, no change, variation or alteration of any kind in the provisions of this Resolution shall be made in any manner, except as expressly provided herein, until such time as the Bonds shall have been paid in full or discharged pursuant to the defeasance sections hereof.

15. Remedies of Bond Owners. Any registered owner of any of the Bonds may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction enforce and compel performance of all duties imposed upon the Municipality by the provisions of this Resolution, including the making and collecting of sufficient rates, the proper application of and accounting for revenues of the System, and the performance of all duties imposed by the terms hereof. If any default be made in the payment of principal of, premium, if any, or interest on the Bonds, then upon the filing of suit by any registered owner of said Bonds, any court having jurisdiction of the action may appoint a receiver to administer the System in behalf of the Municipality with power to charge and collect rates sufficient to provide for the payment of all bonds and obligations outstanding against the System and for the payment of Current Expenses, and to apply the income and revenues thereof in conformity with the provisions of this Resolution.

16. Discharge and Satisfaction of Bonds. If the Municipality shall pay and discharge the indebtedness evidenced by all or any portion of the Bonds in any one or more of the following ways:

a. By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

b. By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an "Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

c. By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the Municipality shall also pay or cause to be paid all other sums payable hereunder by the Municipality with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the Municipality to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the Municipality shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Defeasance Obligations or moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Municipality as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Municipality, as received by the Registration Agent.

Notwithstanding the foregoing, the Municipality may restrict its right to discharge and satisfy prior to maturity any series of Parity Obligations as may be set forth in the resolution authorizing such series of Parity Obligations.

17. Modification of Resolution.

a. This Resolution may be amended without the consent of or notice to the registered owners of the Bonds for the purpose of (1) curing any ambiguity or formal defect or omission herein or (2) making any other amendment which, in the opinion of nationally-recognized bond counsel, does not adversely affect the holders of any Bonds then outstanding.

b. In addition to the amendments to this Resolution without the consent of registered owners as referred to in subsection (a) above, the registered owners of a majority in aggregate principal amount of the Bonds at any time outstanding (not including in any case any Bonds which may then be held or owned by or for the account of the Municipality but including such refunding bonds as may have been issued for the purpose of refunding any of such Bonds if such refunding bonds shall not then be owned by the Municipality) shall have the right from time to time to consent to and approve the adoption by the Governing Body of a resolution or resolutions modifying any of the terms or provisions contained in this Resolution; provided, however, that this Resolution may not be so modified or amended in such manner, without the consent of 100% of the registered owners of the Bonds, as to:

1) Make any change in the maturities or redemption dates of the Bonds;

2) Make any change in the rates of interest borne by the Bonds;

3) Reduce the amount of the principal payments or redemption premiums payable on the Bonds;

4) Modify the terms of payment of principal of or interest on the Bonds or impose any conditions with respect to such payments;

5) Affect the rights of the registered owners of less than all of the Bonds then outstanding;

6) Reduce the percentage of the principal amount of the Bonds the consent of the registered owners of which is required to effect a further modification.

c. Whenever the Municipality shall propose to amend or modify this Resolution under the provisions of this Section, it shall cause notice of the proposed amendment to be mailed by first-class mail, postage prepaid, to the owner of each Bond then outstanding. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in the office of the Municipality for public inspection.

d. Whenever at any time within one year from the date of mailing of said notice there shall be filed with the City Administrator an instrument or instruments executed by the registered owners of at least a majority in aggregate principal amount of the Bonds then outstanding as in this Section defined, which instrument or instruments shall refer to the proposed amendatory resolution described in said notice and shall specifically consent to and approve the adoption thereof, thereupon, but not otherwise, the Municipality may adopt such amendatory resolution and such resolution shall become effective and binding upon the owners of all Bonds.

e. If the registered owners of at least a majority in aggregate principal amount of the Bonds outstanding as in this section defined, at the time of the adoption of such amendatory resolution, or the predecessors in title of such owners, shall have consented to and approved the adoption thereof as herein provided, no registered owner of any Bonds, whether or not such owner shall have consented to or shall have revoked any consent as in this Section provided, shall have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the Municipality from taking any action pursuant to the provisions thereof.

f. Any consent given by the registered owner of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the publication of the notice above provided for and shall be conclusive and binding upon all future registered owners of the same Bond during such period. Such consent may be revoked at any time after six months from the date of publication of such notice by the registered owner who gave such consent or by a successor in title by filing notice of such revocation at the Municipality office, but such revocation shall not be effective if the registered owners of a majority in aggregate principal amount of the Bonds outstanding as in this Section defined shall have, prior to the attempted revocation, consented to and approved the amendatory resolution referred to in such revocation.

g. The fact and date of the execution of any instrument under the provisions of this Section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction, that the person signing such instrument acknowledged before him or her the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

h. The amount (number(s)) of the Bonds owned by any person executing such instrument and the date of the ownership of the same shall be proved by reference to the Bond registration records maintained by the Registration Agent, which records shall constitute conclusive proof of the ownership thereof.

18. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed and this Resolution shall be in immediate effect from and after its adoption.

19. Separability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

[signature page follows]

Adopted and approved on October 25, 2016.

____
Mayor

ATTEST:

____
City Administrator/Recorder

STATE OF TENNESSEE)
)
COUNTY OF WILLIAMSON)

I, Eric S. Stuckey, hereby certify that I am the duly qualified and acting City Administrator/Recorder of the Board of Mayor and Aldermen of the City of Franklin, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a meeting of the Board of Mayor and Aldermen of the Municipality held on October 25, 2016; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to not to exceed $12,000,000 in aggregate principal amount of Water and Sewer Revenue Bonds, Series 2016 of said Municipality.

WITNESS my official signature and seal of said Municipality this 25th day of October, 2016.

____
City Administrator/Recorder

(SEAL)

EXHIBIT A

(Form of Series 2016 Bond)

REGISTERED
Number ___

REGISTERED
$__________

UNITED STATES OF AMERICA
STATE OF TENNESSEE
CITY OF FRANKLIN
WATER AND SEWER REVENUE BONDS, SERIES 2016

Interest Rate:	Maturity Date:	Date of Bond:	CUSIP No.:
_______%	__________, ____	__________, ____	__________

Registered Owner: ________________________________

Principal Amount: ________________________________ DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That the City of Franklin, Tennessee (the "Municipality"), a municipal corporation lawfully organized and existing in Williamson County, Tennessee, for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date, said interest being payable on _______________, and semi-annually thereafter on the first day of ___________ and ___________ in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America at the principal corporate trust office of _________________, _________________, _______________, as registration agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date to the registered owner hereof shown on the bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Municipality to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the persons in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten days prior to such Special Record Date. Payment of principal of and premium, if any, on this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its custody or a custodian of DTC. The Registration Agent is a custodian and agent for DTC and the Bonds will be immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Bonds in $5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution (as hereafter defined), pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the Municipality and the Registration Agent shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Resolution, including receipt of all principal and maturity amounts of, premium, if any, and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the Municipality nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the Municipality determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the Municipality may discontinue the book- entry system with DTC. If the Municipality fails to identify another qualified securities depository to replace DTC, the Municipality shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the Municipality nor the Registration Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

This Bond is one of a total authorized issue aggregating $___________ and issued by the Municipality for the purpose of providing funds to: (A) finance extensions and improvements to the water and sewer system (the “System”) of the Municipality; and (B) pay the costs of issuing the Bonds, under and in full compliance with the Act, and pursuant to a resolution duly adopted by the Board of Mayor and Aldermen of the Municipality at a meeting held on October 25, 2016 (the “Resolution”).

This Bond is payable solely from and secured by a pledge of revenues of the System, subject to the payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring the System and subject to prior lien of such revenues in favor of the Municipality’s outstanding Sewer and Water Revenue and Tax Refunding Bonds, Series 2005, dated March 30, 2005, maturing April 1, 2016 through April 1, 2025, inclusive; its outstanding Sewer and Water Revenue and Tax Refunding Bonds, Series 2011, dated September 29, 2011, maturing May 25, 2026; [two Revolving Fund Loan Agreements, each dated October 26, 2009, by and among the Municipality, the Tennessee Department of Environment and Conservation and the Tennessee Local Development Authority; and two Revolving Fund Loan Agreements for the System’s SCADA system, each approved by the Tennessee Local Development Authority on June 16, 2016, to be by and among the Municipality, Tennessee Department of Environment and Conservation and Tennessee Local Development Authority]. As provided in the Resolution, the punctual payment of principal of and interest on the series of the Bonds of which this Bond is one, and any other bonds hereafter issued on a parity therewith, shall be secured equally and ratably by said revenues without priority by reason of series, number or time of sale or delivery. Said revenues are required by law and by the proceedings pursuant to which this Bond is issued to be fully sufficient to pay the cost of operating, maintaining, repairing and insuring the System, including reserves therefor, and to pay principal of and interest on this Bond and the issue of which it is a part promptly as each becomes due and payable. The Municipality has covenanted and does hereby covenant that it will fix and impose such rates and charges for the services rendered by the System and will collect and account for sufficient revenues to pay promptly the principal of and interest on this Bond and the issue of which it is a part as each becomes due. This Bond and the interest hereon are payable solely from the revenues so pledged to the payment hereof, and this Bond does not constitute a debt of the Municipality within the meaning of any statutory limitation. For a more complete statement of the revenues from which and conditions under which this Bond is payable, a statement of the conditions on which obligations may hereafter be issued on a parity with this Bond, the general covenants and provisions pursuant to which this Bond is issued and the terms upon which the Resolution may be modified, reference is hereby made to the Resolution.

The Bonds of the issue of which this Bond is one shall be subject to redemption prior to maturity at the option of the Municipality on or after [February 1, 2026], as a whole or in part at any time at the redemption price of par plus interest accrued to the redemption date. If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Board of Mayor and Aldermen of the Municipality, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

Subject to the credit hereinafter provided, the Municipality shall redeem Bonds maturing ______________________________________ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

Final Maturity	Redemption Date	Principal Amount of Bonds Redeemed

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Municipality may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Municipality on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced.

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any such defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Municipality nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined. In the case of a Conditional Redemption, the failure of the Municipality to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

If this Bond is no longer registered in the name of Cede & Co. as nominee for DTC, this Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Municipality to call such Bond for redemption.

This Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Municipality to call such Bond for redemption.

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bond during the period the Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the Municipality has caused this Bond to be signed by its Mayor and attested by its City Administrator/Recorder, all as of the date hereinabove set forth.

By:____

Mayor of the Board of Mayor and Aldermen

(SEAL)

ATTESTED:

____

City Administrator/Recorder

Transferable and Payable at: _____________

_____________, ____________

Date of Registration: _____________

This Bond is one of the issue of Bonds issued pursuant to the Resolution hereinabove described.

____
Registration Agent

By:_____________________________________
Authorized Officer

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto __________________________________, whose address is ________________________ (Please insert Federal Identification of Social Security Number of Assignee _____________) the within Bond of the City of Franklin, Tennessee and does hereby irrevocably constitute and appoint _________________________, attorney, to transfer the said bond on the records kept for registration thereof with full power of substitution in the premises.

Dated:_______________

____
NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within bond in every particular, without enlargement or alteration, or any change whatsoever.

Signature guaranteed:

____
Notice: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.

EXHIBIT B

Preliminary Estimates of Debt Service and Costs of Issuance

Period Ending	Principal	Coupon	Interest	Debt Service
02/01/2017	70,000	0.980%	27,312.88	97,312.88
02/01/2018	550,000	1.020%	213,067.00	763,067.00
02/01/2019	555,000	1.080%	207,457.00	762,457.00
02/01/2020	560,000	1.140%	201,463.00	761,463.00
02/01/2021	565,000	1.220%	195,079.00	760,079.00
02/01/2022	570,000	1.300%	188,186.00	758,186.00
02/01/2023	580,000	1.390%	180,776.00	760,776.00
02/01/2024	590,000	1.500%	172,714.00	762,714.00
02/01/2025	595,000	1.610%	163,864.00	758,864.00
02/01/2026	605,000	1.710%	154,284.50	759,284.50
02/01/2027	615,000	1.800%	143,939.00	758,939.00
02/01/2028	630,000	1.900%	132,869.00	762,869.00
02/01/2029	640,000	1.990%	120,899.00	760,899.00
02/01/2030	655,000	2.050%	108,163.00	763,163.00
02/01/2031	665,000	2.110%	94,735.50	759,735.50
02/01/2032	680,000	2.170%	80,704.00	760,704.00
02/01/2033	695,000	2.220%	65,948.00	760,948.00
02/01/2034	710,000	2.270%	50,519.00	760,519.00
02/01/2035	725,000	2.320%	34,402.00	759,402.00
02/01/2036	745,000	2.360%	17,582.00	762,582.00
	12,000,000		2,553,963.88	14,553,963.88

Cost of Issuance	$/1000	Amount
PFM	2.91667	35,000.00
Bond Counsel	2.91667	35,000.00
Disclosure Counsel	1.66667	20,000.00
Moody's	1.83333	22,000.00
S&P	1.70833	20,500.00
Paying Agent	0.20833	2,500.00
Printing/Shipping	0.08333	1,000.00
Ipreo	0.10417	1,250.00
Misc	0.41667	5,000.00
	11.85417	142,250.00

EXHIBIT C

Engagement Letter of PFM Financial Advisors LLC

(attached)

EXHIBIT D

Engagement Letter of Bass, Berry & Sims PLC

(attached)

[Letterhead of Bass, Berry & Sims PLC]

__________, 2016

City of Franklin, Tennessee
Franklin, Tennessee
Attention: Honorable Ken Moore

Re: Issuance of Not to Exceed $12,000,000 in Aggregate Principal Amount of Water and Sewer Revenue Bonds

Dear Mayor:

The purpose of this engagement letter is to set forth certain matters concerning the services we will perform as bond counsel and disclosure counsel to the City of Franklin, Tennessee (the "Issuer"), in connection with the issuance of the above-referenced bonds (the "Bonds"). We understand that the Bonds are being issued for the purposes of providing funds necessary to fund certain public improvement projects of the Issuer and to pay the costs incident to the sale and issuance of the Bonds. It is anticipated that the Bonds will be sold at competitive sale.

SCOPE OF ENGAGEMENT

In this engagement, we expect to perform the following duties as bond counsel:

(1) Subject to the completion of proceedings to our satisfaction, render our legal opinion (the "Bond Opinion") regarding the validity and binding effect of the Bonds, the source of payment and security for the Bonds, and the excludability of interest on the Bonds from gross income for federal income tax purposes.

(2) Prepare and review documents necessary or appropriate for the authorization, issuance and delivery of the Bonds, coordinate the authorization and execution of such documents, and review enabling legislation.

(3) Assist the Issuer in seeking from other governmental authorities such approvals, permissions and exemptions as we determine are necessary or appropriate in connection with the authorization, issuance, and delivery of the Bonds, except that we will not be responsible for any required blue-sky filings.

(4) Review legal issues relating to the structure of the Bonds; and

(5) Prepare those sections of the official statement to be disseminated in connection with the sale of the Bonds involving the description of (i) federal law pertinent to the validity of the Bonds and the tax law treatment thereon, (ii) the terms of the Bonds and (iii) our Bond Opinion.

Our Bond Opinion will be addressed to the Issuer and the purchaser of the Bonds and will be delivered by us on the date the Bonds are exchanged for its purchase price (the "Closing").

In this engagement, we further expect to perform the following duties as disclosure counsel:

(1) Assist in the preparation and review of an official statement or other disclosure document with respect to the Bonds.

(2) Subject to the completion of proceedings to our satisfaction, render our legal opinion (the "Disclosure Opinion" and, together with our Bond Opinion, the "Opinions") that no facts have come to our attention which have caused us to believe that the information in the official statement or other disclosure document (excluding any financial, statistical, demographic and numerical information, any forecasts, estimates, assumptions or expressions of opinion and any information regarding The Depository Trust Company or its book-entry only system of registration), as of its date and as of the date of the Disclosure Opinion, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Our Disclosure Opinion will be addressed to the Issuer and will be delivered by us on the date of Closing.

The Opinions will be based on facts and law existing as of their date. In rendering our Opinions, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the Issuer with applicable laws relating to the Bonds. During the course of this engagement, we will rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Bonds and their security. We understand that you will direct members of your staff and other employees of the Issuer to cooperate with us in this regard.

Our duties in this engagement are limited to those expressly set forth above. Among other things, our duties <u>do not</u> include:

a. Performing an independent investigation to determine the accuracy, completeness or sufficiency of the official statement or other disclosure document.

b. Preparing requests for tax rulings from the Internal Revenue Service, or no action letters from the Securities and Exchange Commission.

c. Preparing blue sky or investment surveys with respect to the Bonds.

d. Drafting state constitutional or legislative amendments.

e. Pursuing test cases or other litigation, (such as contested validation proceedings) except as set forth above.

f. Making an investigation or expressing any view as to the creditworthiness of the Issuer or the Bonds.

g. Except for defending our Bond Opinion, representing the Issuer in Internal Revenue Service examinations or inquiries, or Securities and Exchange Commission investigations.

h. After Closing, providing continuing advice to the Issuer or any other party concerning any actions necessary to assure that interest paid on the Bonds will continue to be excludable from gross income for federal income tax purposes (*e.g.*, our engagement does not include rebate calculations for the Bonds).

i. Opining on a continuing disclosure undertaking pertaining to the Bonds or, after Closing, providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking.

j. Addressing any other matter not specifically set forth above that is not required to render our Opinions.

ATTORNEY-CLIENT RELATIONSHIP

Upon execution of this engagement letter, the Issuer will be our client and an attorney-client relationship will exist between us. We assume that all other parties will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction. We further assume that all other parties understand that in this transaction we represent only the Issuer, we are not counsel to any other party, and we are not acting as an intermediary among the parties. Our services as bond counsel are limited to those contracted for in this letter; the Issuer's execution of this engagement letter will constitute an acknowledgment of those limitations. In our representation of the Issuer, we will not act as a “municipal advisor,” as such term is defined in the Securities Exchange Act of 1934, as amended.

Our representation of the Issuer and the attorney-client relationship created by this engagement letter will be concluded upon issuance of the Bonds. Nevertheless, subsequent to Closing, we will mail the appropriate Internal Revenue Service Form 8038-G, and prepare and distribute to the participants in the transaction a transcript of the proceedings pertaining to the Bonds.

As you are aware, our firm represents many political subdivisions, companies and individuals. It is possible that during the time that we are representing the Issuer, one or more of our present or future clients will have transactions with the Issuer. We currently represent a client who is adverse to the City and we have previously obtained a waiver from the City for such representation. It is also possible that we may be asked to represent, in an unrelated matter, one or more of the entities involved in the issuance of the Bonds. We do not believe such representation, if it occurs, will adversely affect our ability to represent you as provided in this letter, either because such matters will be sufficiently different from the issuance of the Bonds as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of the issuance of the Bonds.

FEES

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing represented by the Bonds; (ii) the duties we will undertake pursuant to this engagement letter; (iii) the time we anticipate devoting to the financing; and (iv) the responsibilities we will assume in connection therewith, our fee will be $55,000.00.

If, for any reason, the financing represented by the Bonds as described in the paragraph above is completed without the delivery of our Opinions or our services are otherwise terminated, we will expect to be compensated at our normal rates for the time actually spent on your behalf plus client charges as described above unless we have failed to meet our responsibilities under this engagement, but in no event will the amount we are paid exceed the amounts provided above.

RECORDS

At your request, papers and property furnished by you will be returned promptly upon receipt of payment for outstanding fees and client charges. All goods, documents, records, and other work product and property produced during the performance of this contract are deemed to be Issuer's property. Our own files, including lawyer work product, pertaining to the transaction will be retained by us for a period of three (3) years and be subject to inspection by Issuer upon reasonable notice.

OTHER MATTERS

We have not retained any persons to solicit or secure this engagement from the Issuer upon an agreement or understanding for a contingent commission, percentage, or brokerage fee. We have not offered any employee of the Issuer a gratuity or an offer of employment in connection with this engagement and no employee has requested or agreed to accept a gratuity or offer of employment in connection with this engagement.

Any modification or amendment to this engagement letter must be in writing, executed by us and contain the signature of the Issuer. The validity, construction and effect of this engagement letter and any and all extensions and/or modifications thereof shall be governed by the laws of the State of Tennessee.

CONCLUSION

If the foregoing terms are acceptable to you, please so indicate by returning the enclosed copy of this engagement letter dated and signed by an authorized officer, retaining the original for your files. We look forward to working with you.

CITY OF FRANKLIN, TENNESSEE:	**BASS, BERRY & SIMS PLC:**
By: ______________________________	By: __________________________
Ken Moore, Mayor	Karen S. Neal, Member

RESOLUTION 2015-68

TO BE ENTITLED: "A RESOLUTION OF THE BOARD OF MAYOR AND ALDERMEN TO AMEND THE CITY OF FRANKLIN EMPLOYEES' PENSION PLAN"

WHEREAS, the City of Franklin regularly updates its Plan Document to obtain regulatory approval from the Internal Revenue Service for its Employees' Pension Plan and to remain in compliance with State law, and

WHEREAS, the State of Tennessee in the 2015 legislative session passed House Bill 249 which requires local government pension plans to recognize certain qualified domestic relations orders, and

WHEREAS, the Plan document eliminated references to such orders because of previously applicable laws of the State, and

WHEREAS, the City's legal counsel for pension matters has crafted certain changes to the Plan document, which are included in the Second Amendment to the Plan (attached), in order to comply with the new law, and

WHEREAS, the Pension Committee has reviewed the Amendment and recommended adoption of same.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Mayor and Aldermen for the City of Franklin as follows:

Section 1. That the Second Amendment to the City of Franklin Employees' Pension Plan is hereby adopted.

Section 2. That this Resolution shall be effective upon adoption.

IT IS SO RESOLVED AND DONE on this 22nd day of September, 2015.

ATTEST:	**CITY OF FRANKLIN, TENNESSEE**
By: ___________________________	**By:** ___________________________
Eric Stuckey **City Administrator**	**Dr. Ken Moore** **Mayor**

SECOND AMENDMENT
TO THE CITY OF FRANKLIN
EMPLOYEES' PENSION PLAN

WHEREAS, the City of Franklin (the "City") has previously established and currently maintains the City of Franklin Employees' Pension Plan (the "Plan"); and

WHEREAS, the City has retained the right to amend the Plan; and

WHEREAS, the Board of Mayor and Aldermen has approved the amendment of the Plan as set forth herein;

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Section 6.1, previously deleted, shall be amended to read as follows:

> Effective July 1, 2015, the restrictions on transfers of benefits as described in Section 11.4 shall not apply to the creation, assignment, or recognition of a right to any benefit payable with respect to a Participant pursuant to a "qualified domestic relations order" defined in Internal Revenue Code Section 414(p), and those other domestic relations orders permitted to be so treated by the Administrator. The Administrator shall establish a written procedure to determine the qualified status of domestic relations orders and to administer distributions under such qualified orders. Further, to the extent provided under a "qualified domestic relations order," a former spouse of a Participant shall be treated as the spouse or surviving spouse for all purposes under the Plan.
>
> All rights and benefits, including elections, provided to a Participant in this Plan shall be afforded to any "alternate payee" under a "qualified domestic relations order." For the purposes of this Section, "alternate payee" and "qualified domestic relations order" shall have the meaning set forth under Code Section 414(p).

IN WITNESS WHEREOF, the City has caused this Second Amendment to be executed this 25th day of August, 2015.

CITY OF FRANKLIN

By:______________________________

Its:______________________________

4817-5268-5862, v. 2

SENATE BILL 153
By Overbey

HOUSE BILL 249

By Farmer

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 34; Title 8, Chapter 35 and Section 26-2-105, relative to enforceability of qualified domestic relations orders against governmental pension and retirement plans.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 26-2-105, is amended by adding the following new subsection:

(d)

(1) Notwithstanding subsections (a)–(c), a local government that establishes and maintains for its employees a qualified plan, and the qualified plan's administrator, shall honor claims under a qualified domestic relations order, if the order relates only to the provision of marital property rights for the benefit of the former spouse of the qualified plan's participant.

(2) As used in this subsection (d):

(A) "Local government" means any county, city, or town other than a county, city, or town participating in the Tennessee consolidated retirement system pursuant to title 8, chapter 35;

(B) "Qualified domestic relations order" has the same meaning as provided in Section 414(p), Internal Revenue Code (26 U.S.C. § 414(p)); and

(C) "Qualified plan" means a retirement or pension plan that is qualified under Section 401 or Section 403, Internal Revenue Code (26 U.S.C. § 401 or § 403).

SECTION 2. This act shall take effect July 1, 2015, the public welfare requiring it.

RESOLUTION 2015-72

A RESOLUTION OF THE BOARD OF MAYOR AND ALDERMEN TO AMEND THE CITY OF FRANKLIN EMPLOYEES' PENSION PLAN

WHEREAS, the City of Franklin regularly updates its Plan Document to remain in compliance with the Internal Revenue Service(IRS) for its Employees' Pension Plan, and

WHEREAS, the Pension Committee has recommended, and the Board has previously approved, an investment in a collective trust as a form of investment, and

WHEREAS, the Internal Revenue Service requires that the Plan document specifically include a "collective trust" as an approved form of investment, and

WHEREAS, the City's legal counsel for pension matters has drafted certain changes to the Plan document, which are included in the Third Amendment to the Plan, in order to comply with IRS regulations, and

WHEREAS, the Pension Committee has reviewed the Amendment and recommended adoption of same.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Mayor and Aldermen for the City of Franklin as follows:

Section 1. That the Third Amendment to the City of Franklin Employees' Pension Plan is hereby adopted.

Section 2. That this Resolution shall be effective upon adoption.

IT IS SO RESOLVED AND DONE on this 22nd day of September, 2015.

ATTEST: **CITY OF FRANKLIN, TENNESSEE**

By: ______________________________
Eric Stuckey
City Administrator

By: ______________________________
Dr. Ken Moore
Mayor

Discussion Draft
August 12, 2015

THIRD AMENDMENT
TO THE CITY OF FRANKLIN
EMPLOYEES' PENSION PLAN

WHEREAS, the City of Franklin (the "City") has previously established and currently maintains the City of Franklin Employees' Pension Plan (the "Plan"); and

WHEREAS, the City has retained the right to amend the Plan; and

WHEREAS, the Board of Mayor and Aldermen has approved the amendment of the Plan as set forth herein;

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Section 7.3, subparagraph (10) shall be amended and restated in its entirety as follows:

   To delegate to one or more investment managers (as defined in Section 3(38) of ERISA) the authority to manage, acquire, or dispose of Plan assets and to regularly monitor the performance of any investment managers so selected, or to invest Plan assets in index funds, limited partnership, or other such passive investments that are not actively managed by an investment manager for the Plan, or unless restricted by law to invest in collective investment trusts or common group trusts that provide for the pooling of assets of employee benefits trusts that meet all the conditions as permitted under Revenue Rulings 81-100 and 2011-1 of the Internal Revenue Service, or subsequent guidance, and that are operated or maintained exclusively for the commingling and collective investment of funds from other trusts. The assets so invested shall be subject to all the provisions of the group trust instruments establishing and governing such trust or trusts. Those instruments of group trusts approved for investment by the Committee, including any subsequent amendments to such trusts, are hereby incorporated by reference and made a part of this Plan and its corresponding trust, or may be incorporated by specific reference in any subscription, adoption, or other agreement investing in such group trust whereupon any such incorporating reference in such subscription, adoption, or other agreement is hereby incorporated by this reference herein.

IN WITNESS WHEREOF, the City has caused this ~~Second~~ Third Amendment to be executed this _____ day of _______________, 2015.

CITY OF FRANKLIN

By:______________________________

Its:______________________________

MEETING MINUTES
EMPLOYEE PENSION & TRUST INVESTMENT COMMITTEE
CITY OF FRANKLIN, TENNESSEE
CITY HALL BOARD ROOM
MONDAY, AUGUST 19, 2013 @ 1:00 PM

Committee Members		**Other Attendees**	
Alderman Clyde Barnhill, Chair	P	Barry Bryant, Dahab Associates	P
Mayor Ken Moore, Vice Chair	P	David Kays, Acuff & Associates	P
Ed Cagle, Citizen	P	Andrew Elbon, Bradley Arant Boult Cummings	
Marcia Williams, Citizen	P	Shauna Billingsley, City Attorney	P
Jessica Peach, Employee	P	Russ Truell, Finance Director	P
David Edge, Employee	P	Eric Stuckey, City Administrator	P
Shirley Harmon, Human Resources Director	P	Linda Fulwider, Board Recording Secretary	P

1. **Call to Order**
   Alderman Barnhill, Chair, called the meeting to order at 1:00 p.m.

2. **Approval of the Minutes**
   Ken Moore moved to approve the February 25, 2013 minutes as presented. Seconded by David Edge. Motion carried unanimously.

3. **Quarterly Investment Update**

Barry Bryant, Dahab Associates

Economic Statistics

	Current Qtr	Last Qtr
GDP	1.7	1.1
Unemployment	7.6	7.6
CPI All Items Year/Year	1.75	1.47
Fed Funds Rate	0.25	0.25
Industrial Capacity	77.8	78.2
US Dollars per Euro	1.30	1.28

Major Index Quarter Returns

Index	Performance
Russell 3000	2.7
S&P 500	2.9
Russell Mid	2.2
Russell 2000	3.1
MSCI EAFE	-0.7
MSCI Emg Mkts	-8.0
NCREIF ODCE	3.9
Barclays Agg	-2.3
90 Day Tbills	0.0

Equity Return Distributions

	QUARTER		
	VAL	COR	GRO
LC	3.2	2.7	2.1
MC	1.7	2.2	2.9
SC	2.5	3.1	3.7

	TRAILING YEAR		
	VAL	COR	GRO
LC	25.3	21.2	17.0
MC	27.6	25.4	22.9
SC	24.8	24.2	23.7

Market Summary

*GDP expanded at a rate of 1.7% in Q2
*Seasonally adjusted unemployment remained at 7.6%
*Domestic equity indices posted positive returns for Q2. Large Cap Value beat Growth, while Mid and Small Cap favored Growth over Value. Int'l stocks lost ground, with developed countries faring better than emerging markets
*CPI increased 1.75% year over year
*The US Dollar weakened relative to the Euro

Manager Performance Summary

Name	(Universe)	Quarter	YTD	Inception	
Total Portfolio *Manager Allocation Index*	(Public Fund)	0.8 (10) *0.3 -----*	6.2 (29) *7.2 -----*	3.5 (67) *4.2 -----*	12/07
Polen Capital *Russell 1000 Growth*	(LC Growth)	-2.2 (99) *2.1 -----*	4.0 (99) *11.8 -----*	8.4 (75) *11.3 -----*	06/11
CS McKee *Russell 1000 Value*	(LC Value)	4.3 (37) *3.2 -------*	14.3 (72) *15.9 -----*	3.9 (68) *3.3 -----*	12/07
SouthernSun *Russell 2500*	(Smid Cap)	4.0 (23) *2.3 -----*	18.4 (14) *15.4 -----*	36.1 (3) *25.6 -----*	06/12
Vanguard *Russell 2500*	(Smid Cap)	2.4 (53) *2.3 -----*	15.5 (50) *15.4 -----*	23.3 (38) *22.8 -----*	12/11
Schwab *MSCI Emerging Markets*	(Emerging Mkt)	-9.6 (82) *-8.0 -----*	-13.1 (94) *-9.4 -----*	0.6 (93) *4.9 -----*	12/11

Name	(Universe)	Quarter	YTD	Inception	
Westwood *MSCI Emerging Markets*	(Emerging Mkt)	-7.0 (45) *-8.0 -----*	-8.6 (64) *-9.4 -----*	5.5 (24) *1.3 -----*	12/09
Landmark *Cambridge US Private Equity*		0.0 ----- *0.0 -----*	5.3 ----- *4.5 -----*	22.3 ----- *13.8 -----*	03/10
Bailard Real Estate Inc. *NCREIF NFI-ODCE Index*		2.0 ----- *3.9 -----*	4.1 ----- *6.6 -----*	10.4 ----- *14.2 -----*	09/10
RMK *NCREIF Timber Index*		1.0 ----- *0.9 -----*	3.8 ----- *2.5 -----*	-0.1 ----- *2.9 -----*	12/07
RMS Forest *NCREIF Timber Index*		0.0 ----- *0.9 -----*	1.3 ----- *2.5 -----*	5.2 ----- *9.4 -----*	06/12
SSGA Fixed *Barclays Aggregate Index*	(Core Fixed)	-2.3 (34) *-2.3 -----*	-2.4 (51) *-2.4 -----*	5.0 (88) *4.9 -----*	12/07

Mr. Bryant commented that relative to others, it was a good quarter. He was pleased with the allocations.

4. Consideration of Changes in Fixed Income Allocation and Managers

Barry Bryant, Dahab Associates

Firm	Bradford	Loomis	PIMCO
Product	Core Plus	Core Plus Fixed Income	Total Return Fund
Location	Los Angeles, CA	Boston, MA	Newport Beach, CA
Contact	Mary Yablonsky	Gene Guevara	Marta Bezoari
Affiliation	Independent	Subsidiary of Natixis Global Asset Management	Subsidiary of Allianz SE
Founded	1984	1926	1971
Total Assets	$4.7B	$188B	$20T
Assets in Product	$2.5B	$8.8B	$529.2B
Investment Style	Sector Security Approach, Other	Sector Security Approach	Interest Rate Anticipation, Sector Security Approach
Philosophy	They believe that the global, macro-economic environment is the primary driver of returns within the fixed income marketplace, and that understanding the trends within this environment provides the best opportunities to add value	The believe that in-depth fundamental research and intensive bottom-up investment analysis combined with a top-down macroeconomic and market perspective is the best way to deliver excellent performance	Their investment philosophy revolves around the principle of diversification. They believe that no single risk should dominate returns
Number of Securities	150-200	75-125	6,087
Turnover	120%	74%	388%
5 year/Current Quality	A+/A2	A/Baa1	-/A+
5 year/Current Maturity	7.29/7.32	8.88/9.62	6.43/6.70
5 year/Current Duration	4.65/5.54	5.84/6.78	4.87/4.70
5 year/Current Coupon	5.44/4.42	5.44/5.01	4.14/3.40
5 year/Current High Yields	10.42/11.63	13.50/19.00	3.19/3.00
Inception	April 1, 1985	January 1, 1986	May 11, 1987
Benchmark	Barclays Aggregate	Barclays Aggregate	Barclays Aggregate
Fee Schedule	Separate Account: 39 bps on first $10mm 32 bps on next $40mm Minimum: $5k	Comingled Fund: 50 bps on first $10mm 35 bps on next $10mm Minimum: $5mm Mutual Fund: 58 bps Minimum: $100k	Mutual Fund: 46 bps Minimum: $1mm

Performance Information 2003-2013 reviewed:

	Bradford	Loomis	PIMCO	Barclays Aggregate
1Q2013	0.28	0.67	0.72	**-0.12**
2Q2013	-2.51	-3.28	-3.49	**-2.33**
3 Year	5.67	7.18	5.15	**3.53**
5 Year	7.72	9.33	7.75	**5.20**

Mr. Bryant explained the makeup of Barclay's Aggregate Funds noting that Index Fund returns are not great and are increasingly tied to government funds. Going forward he doesn't expect interest rates to rise soon. When interest rates rise, bond returns fall.

Bradford is a smaller firm comparable to a boutique type firm. Money would be in an individual account not comingled with anyone else. Loomis is a large firm; however, PIMCO is the largest bond fund. Bradford and PIMCO numbers relatively similar. Loomis is higher and takes more risks. During the phone presentations he will ask each manager the same four questions.

Bradford (Core Plus) Mary Yablonsky, Director of Marketing and Sales, and Jeffrey Brothers, Senior Portfolio Manager.
Interest rates could move up modestly to around 3% within the next year. Economy sluggish, inflation low and still falling. Fiscal worries regarding debt ceiling near term modestly higher. Three to five years heading to as high as 4% on 10 year treasury bills. Feds are cautious.

Barclays Aggregate. Could see negative price performance from interest rate. Active managers rotate between sectors for opportunity to outperform. Almost 75% in federal securities; very low yielding and will probably increase over time. Index portfolio 75% in low yield. Active managers move to less correlated high yield investment grade. International funds not correlated. Currency possibilities with International experience.

Referred to page 16 in their presentation book for Core Plus Strategy and yield.

Advantage of Bradford over Loomis and PIMCO? Different philosophy. Bradford doesn't use derivative products. Operate in cash markets. Client sees what they own. Biggest advantage is size; being smaller they are nimble and move quickly in these sectors. They don't need $250 million or a billion. Client's account managed as separate account; can customize the guidelines within Core Plus sectors. Attention from Client Servicing and Portfolio Management. Team has worked together over 19 years.

Loomis (Core Plus Fixed Income) Gene Guevara
Barclays Aggregate has changed over the past year because of government intervention. Today over 70% in government related securities. Overweight in credit. Opportunities outside aggregate in high-yield non-dollar emerging market.

Core Plus invested in all sectors of US Market up to 20% high yield, up to 10% in non-dollar, Spanish bonds. Have taken full advantage of that sector. They are close to 10%. Ability to invest in plus sectors, limits on plus sectors, ability to manage from experience, ability to look like benchmark in times of stress, to move around benchmark. Allows flexibility to take advantage in tactical as well as shifts in marketplace.

Why Loomis? In this strategy $9B-$10B can be nimble and quick. No heavy derivative usage. Transparent portfolio and recognizable names and items. Broad experience. Comingled and mutual fund.

Marcia Williams asked about derivatives. The response was that it is not a primary strategy; they don't use them much. Not for alpha generation.

PIMCO (Total Return Strategy) Marta Bezoari
Interest rates are on hold for the near future. With short term Federal Reserve controls unlikely a hike until at least 2015. (I don't understand the previous sentence.) Ms. Bezoari explained how the unemployment rate and inflation play into this. 41% of the CPI is related to housing. It is fragile and it is hard to get mortgages. Interest rates up 1% since January. Refinancing and new issuance both down by 50%.

Interest rate Core Bond tied to Barclays Aggregate. The structure creates a problem in future; 75% exposure to treasury bonds and agency mortgages. Interest rate risk is 5.5 years now (I don't understand this statement), and strategy has 75% exposure. If interest rates increased by 1% would have 4% loss tied to Barclay; 2% mitigated.

PIMCO Core Plus Strategy an advantage over Index. Referred to page 3 of their presentation book. The manager has flexibility around the benchmark; not to duplicate the benchmark completely. Mr. Bryant asked if this is the best strategy within the PIMCO family to which they responded that it depends on what is wanted from passive to active. Unconstrained Bond Fund is different from Total Return Fund; doesn't track Barclays Aggregate.

Mr. Bryant noted the other two firms do not use derivatives and are more agile than very large firms. PIMCO's perspective on derivatives is they look at the cheapest way to get the product. It is more expensive to buy cash bond than derivative sometimes. It doesn't happen regularly just when derivatives offer better liquidity. They have 30 years of experience and have the resources in-house. Smaller companies cannot afford to do derivatives. PIMCO has in-house risk management and in-house attorneys. The risks must be monitored every day with derivatives. An intensive process.

The summary Mr. Bryant gave the committee reflects a very large turnover rate of 388%. This was somewhat explained; however, Mr. Bryant said he could have pulled the wrong number. He will check.

Marcia Williams asked if there were any parameters on the type of derivatives; long or short. Ms. Bezoari responded that PIMCO doesn't go short. It needs to be completely like buying a bond. An unconstrained portfolio is more opportunistic with the ability to go short. Both in cash market and derivative market.

Discussion following presentations:

- Interest rates are not going up. The basic idea to add a Core Plus Manager hasn't changed.
- Mayor Moore was intrigued with Bradford. With PIMCO the number of securities is much higher. We're leaving money on the table by not having an active manager. Alderman Barnhill was partial to Bradford and having the separate account.
- Marcia Williams complimented Dahab on the choice of these three managers, any one of which could do what the committee wants. Loomis beats the others in performance in all years. Historically, excellent performance.
- Ed Cagle: This money is 21% of the portfolio. It is important to pick a manager.
- Eric Stuckey asked if it would be advantageous to pick two managers.
- $13 million is enough to meet the minimum on Bradford and Loomis.
- Jessica Peach: Bradford has no minimum account size; PIMCO minimum is $1 million; Loomis at $100,000
- Mayor Moore asked if $5 million to Bradford and $5 million to Loomis, with the balance left in Index would be an option.
- Mr. Bryant discouraged a three-way split and said originally he was planning on an International manager and splitting the money with the Core Plus. He asked if the committee wished to engage an international manager.
- Russ Truell advised against leaving anything in the Index Fund as it has a minimum fee; at $3 million paying the minimum.

Mayor Moore moved to invest with Bradford and Loomis investing 50% of the money in each. Seconded by Marcia Williams. Motion carried unanimously.

5. Consideration of RFP for Actuarial Services

Shirley Harmon, Human Resources Director

To be addressed at the next meeting.

6. Consideration of RFQ for Legal Services

Shauna Billingsley, City Attorney

Shauna Billingsley advised they are drafting the document and it will be posted within the next two weeks. Will address at the next meeting as well. Once the RFQ is ready, it will also be distributed to members of the Committee in case they want to notify contacts which they have.

7. Consideration of Pension Bond Issue

Barry Bryant & Russ Truell

Per Mr. Bryant, Pension Obligation Bonds are debt instruments issued by a state or local government to pay its obligation to the pension fund in which its employees are members. With public entities having more and more difficulty finding ways to fund pensions this trend is expected to continue in the coming years. They are typically issued by underfunded pension funds to raise money to pay benefits owed to their employees.

Interest rates are lower than they have been in this century. Mr. Bryant doesn't think they will go lower. If the City can borrow cheaply the chances of increased earnings are good. Borrowing at 3% gives the likelihood of earning 5%-8%. (I think the previous sentence needs to be reworked; doesn't seem correct as stated.)There is risk involved.

Mr. Truell had a list of eight questions for this discussion, with numbers 5, 6, and 8 needing outside advice from PFM. Although, Mr. Bryant did answer #6 regarding the estimated return on investment. Mr. Truell added that the City does have legislative authority to do this. He then called Lauren Lowe of PFM for discussion and questions.

Ms. Lowe answered the question regarding the estimated cost of Pension Obligation Bonds. Taxable market preliminary analysis assuming it is a taxable obligation for the City on a 10-year structure, 15 and 20 years based on credit rating. Approximate numbers at 10 years 3.05%, 15 years 3.67%, and 20 years 4.1%. Preserve flexibility for wiggle room to 50 bps.

Affordability is the first thing to discuss. The sooner it can be paid off the better. There are two parts to the equation. Mr. Truell asked the effect of adding $10 million liability to borrowing for coming projects. What about debt capacity? How do the rating agencies see that? Ms. Lowe didn't think it would have an impact. Debt capacity will count against because of the obligation to pay it back. This is not a problem with the rating agencies. It just exchanges one obligation for another. Pension obligation is soft debt.

Mayor Moore asked if going forward rating agencies would look harder at unfunded liability on pension plans. Ms. Lowe answered that they would be and suggested the City of Franklin's plan to be 100% funded. If the City was looking at this for immediate relief, in her opinion it would be different. Rating agencies say it is an obligation and how to fund and manage. On the positive side, the pension plan would be 100% funded. The City is 91% funded now. At 100% funded it would be a shorter procedure and it would eliminate the discussion of an underfunded plan. The process is the same as for any bond issue. It would go through BOMA by resolution, and to the state for approval. Typically, allow 2-3 months for the process with the standard cost of issuance applicable.

Discussion following consultation with PFM:

- Mr. Truell thought an initial resolution should go to the Budget & Finance Committee for review this month. There is a specific window in which to act on this.

Questions for David Kays, Actuary:

- If we were to issue pension bonds, what amount in the actuarial report should we use as the "unfunded liability?"
- Range of return for $1 million of reduction is $980,000 – hold debt service to $980,000 per year for a wash at 3%. (I don't understand this sentence.) The Discount Rate for this year would be 4.5%. At present rate, liability will count as $11 million instead of $7 million.

Marcia Williams made a motion to recommend to the Budget & Finance Committee, that we seek out $10 million of Pension Obligation Bonds to fund the Pension at 100%. Seconded by Shirley Harmon. Motion carried unanimously.

8. Other Business

Roth IRA for 457 Plan

Shirley Harmon related a vote was needed to make the Roth IRA a third option for the City's 457 Plan.

Mayor Moore moved to approve the recommendation to add the Roth IRA as a third option for the 457 Plan. Seconded by Marcia Williams. Motion carried unanimously.

Participant Statements
Ms. Harmon asked Mr. Kays when the participant statements would be ready to send. He indicated they would be ready within a week.

Next Meeting
The next meeting is scheduled for Monday, November 18, 2013 @ 1:00 p.m. in the Board Room.

9. Adjourn

Ed Cagle moved to adjourn. Seconded by Marcia Williams. Motion carried unanimously.

Meeting adjourned @ 3:04 p.m.

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Clyde Barnhill, Chair

Minutes prepared by Linda Fulwider, Board Recording Secretary, City Administrator's Office – updated 11/14/2012 3:43 PM