



Shelby County Government

A C Wharton, Jr.

Mayor

April 22, 2009

Mr. Keith L. McGee
Chief Administrative Officer
City of Memphis
125 North Main, Suite 308
Memphis, TN 38103

RE: Health Department Funding & Pyramid

Dear Keith:

The County Commission met in special session today to consider the proposal detailed in your letter of April 8, 2009. I am enclosing a copy of the resolution that was approved for your review and consideration.

As indicated therein, the resolution authorizes the Mayor to contract with the City in accord with your proposal, but adds one additional provision relating to additional funding for the Pyramid, predicated upon the County being successful in obtaining funding from the outlying municipalities for the Memphis and Shelby County Health Department.

Chairwoman Malone has discussed the additional funding provision with a number of your Council members and believes this will be favorably received. We are optimistic that this will be the case and are ready to begin working on the contract to bring this matter to a successful conclusion for all parties.

This has been a long process and I want to thank you for your continued cooperation and assistance. Please give me a call if you have any question regarding the enclosed resolution.

Sincerely,

James F. Huntzicker
Chief Administrative Officer/CFO

Mr. Keith McGee

April 22, 2009

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C: Mayor A C Wharton, Jr.
Mayor W.W. Herenton
Deidre Malone, Chair, Shelby County Board of Commissioners
Myron Lowry, Chair, Memphis City Council
J. W. Gibson, II, Chair, Shelby County Budget Committee
Wanda Halbert, Chair, City Finance Ad Hoc Committee on Joint Funding
Yvonne Madlock, Director, Memphis and Shelby County Health Dept.
Roland McElrath, Director of Finance, City of Memphis
Brian Kuhn, County Attorney
Elbert Jefferson, City Attorney

ITEM # _____

PREPARED BY: Mike Swift

APPROVED BY: _____

RESOLUTION AUTHORIZING THE SALE TO THE CITY OF MEMPHIS OF THE COUNTY'S INTEREST IN THE PYRAMID, ACCEPTING THE CITY OF MEMPHIS FUNDING OF THE HEALTH DEPARTMENT, CANCELING ANY OBLIGATIONS OF THE COUNTY RELATED TO THE MIDSOUTH COLESIUUM AND AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT FOR THIS PURPOSE WITH THE CITY OF MEMPHIS. SPONSORED BY CHAIRMAN DEIDRE MALONE.

WHEREAS, In a letter dated April 8, 2009, the City of Memphis has proposed to provide \$5 million for the Health Department for the fiscal year ending June 30, 2010; to purchase the Pyramid for \$3.5 million; and to forego \$380,000 the City of Memphis contends is owed by Shelby County for the operations of the Mid-south Coliseum; and

WHEREAS, The County believes it is in the best interest of the citizens of Shelby County to accept the proposal of the City of Memphis; and

WHEREAS, The Shelby County Board of Commissioners desires to seek funding from the outlying municipalities for the Memphis and Shelby County Health Department and for the City of Memphis to pay an additional \$2 million for the purchase of the Pyramid during fiscal year 2011 if the County is successful in obtaining such municipal funding.

NOW THEREFORE BE IT RESOLVED, BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, That the Shelby County Mayor is hereby authorized to contract with the City of Memphis to sell Shelby County's interest in the Pyramid for \$3.5 million, to accept \$5 million of funding for the Health Department and to agree that Shelby County has no current obligation to the City of Memphis regarding the Mid-South Coliseum.

BE IT FURTHER RESOLVED, That the contract shall provide that the City of Memphis accepts all responsibility of Shelby County under the development agreement for the Pyramid and that Shelby County has no current or future responsibilities regarding the Pyramid of the development thereof.

BE IT FURTHER RESOLVED, That the contract shall also provide that the City of Memphis will pay to the County an additional \$2 million during fiscal year 2011 for the purchase of the Pyramid contingent upon the County being successful in obtaining funding from the outlying municipalities for the Memphis and Shelby County Health Department.

BE IT FURTHER RESOLVED, That the Shelby County Mayor is authorized to take all other legal actions required to effectuate the aforementioned contract.

A C Wharton, Jr.
County Mayor

Date: _____

ATTEST: