



June 17, 2016

Superintendent Dorsey Hopson
Shelby County School District
160 S. Hollywood St.
Memphis, TN 38112

Dear Superintendent Hopson:

Thank you for taking the time to meet with me last month regarding our mutual efforts to address the education and recreation needs of all the students within our community regardless of who provides the direct fiscal, human or capital support. I appreciate the fact that we both hold this in common. We consider the heritage schools within our community to be an asset to our city and will continue to provide the resources within our authority to aid in their success including providing school resource officers, the use of athletic fields, crossing guards, the Alive at 25 program and CPR training by our Germantown Fire Department paramedics. Suffice it to say, you have a committed partner in the City of Germantown.

During our meeting, we also spoke candidly about our continued interest in the conveyance by Shelby County School District of both Germantown Middle School and Germantown Elementary School to the Germantown Municipal School District. We discussed land and property values, deferred maintenance cost, student attendance and fair market value for the buildings. Based on this conversation and in the interest of advancing this idea, I would like to propose the following arrangement for your consideration:

1. That the City of Germantown purchase both Germantown Middle School and Germantown Elementary School for a combined purchase of \$5,000,000.00.
2. That under an Inter-local Agreement between the Shelby County School District and the Germantown Municipal School District, we will agree to develop a plan to serve the currently enrolled students within these schools and a mutually agreed upon transition plan.
3. That closing on the purchase of the buildings will take place on or before June 30, 2017.
4. That the transition between the two districts be effective with the 2017-2018 school year.
5. That this entire arrangement be memorialized in a memorandum of understanding to be executed by the Shelby County School District, the Germantown Municipal School District and the City of Germantown by September 1, 2016.

City of Germantown, Tennessee

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We recognize the stresses and strains both districts are experiencing in terms of capital and resource allocations. The proposal before you, when you consider the operational costs of these schools and the deferred maintenance, has a net fiscal impact to the Shelby County School District of approximately \$11,000,000. The proposal also aligns with your current strategic planning effort to right-size the district, reduce your facility footprint and create greater operational efficiencies. We hope that our financial offer and willingness to educate the children in these two schools will meet with favorable consideration by your office and the Shelby County School Board.

I look forward to your response.

Sincerely,

A handwritten signature in black ink that reads "Mike Palazzolo". The signature is written in a cursive style with a large, stylized "M" and "P".

Mike Palazzolo
Mayor