

ORDINANCE NO. BL2018-1315

An ordinance to create a Tax Increment Financing Study and Formulating Committee.

WHEREAS, for many years, tax increment financing (TIF) has been awarded in connection with economic redevelopment districts pursuant to Title 7, Chapter 53 and Title 9, Chapter 23 of the Tennessee Code Annotated; and

WHEREAS, in 2017, the Tennessee General Assembly enacted additional legislation enabling housing authorities to award tax increment financing in furtherance of transit-oriented redevelopment plans (Tenn. Code Ann. §13-20-701, *et seq.*); and

WHEREAS, the recent availability of tax increment financing in transit-oriented redevelopment plans creates an array of new circumstances. While economic redevelopment districts outline multiple possible uses for tax increment financing proceeds, housing is not listed. In contrast, transit-oriented redevelopment plans expressly provide for affordable and workforce housing. Simultaneously, with the advent of transit-oriented redevelopment plans, redevelopment districts in general can be expected to apply to more and more properties in Nashville; and

WHEREAS, over the course of several years, the complexities of tax increment financing eligibility and its enabling legislation, combined with the tendency of previous administrations to rely upon MDHA for implementing development agendas, have prompted confusion and mistrust among the public about what tax increment financing is, how it is awarded, and how it is administered. Adding new forms of redevelopment districts will likely only perpetuate this confusion and mistrust; and

WHEREAS, in the interests of transparency and maintaining the public trust and confidence, now is an appropriate time for the Metropolitan Council to review the methods and criteria by which tax increment financing is awarded and administered; and

WHEREAS, the most effective and efficient means for studying tax increment financing for these purposes is the establishment of a study and formulating committee.

NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. There is hereby established a Tax Increment Financing Study and Formulating Committee consisting of seven (7) persons to be approved by the Metropolitan Council by resolution. Within thirty (30) days of the adoption of this ordinance, two (2) members shall be nominated by the chief executive officer of the Metropolitan Development and Housing Agency; two (2) members shall be nominated by the mayor; and three (3) members shall be appointed by election of the Metropolitan Council.

Section 2. The Study and Formulating Committee (the "Committee") shall endeavor to study how the Metropolitan Government utilizes tax increment financing and to formulate recommendations for its implementation in a more transparent, equitable, effective and understandable manner. Such study shall assess (i) how tax increment financing is awarded, (ii) the strengths and weaknesses of how tax increment financing is currently awarded, (iii) whether alternative lawful approaches exist for structuring tax increment financing awards, and (iv) whether methods for awarding tax increment financing should be revised following the emergence of transit-oriented redevelopment districts and other developments.

Section 3. For purposes of its study and formulation, the Committee shall be authorized to obtain from any department, board, commission, agency, officer, or employee of the Metropolitan Government any

information and data with respect to tax increment financing, as well as other such pertinent information and data as the Committee may require.

Section 4. Within six (6) months of its appointment, unless such time be extended by resolution of the Metropolitan Council, the Committee shall submit to the Council and to the Metropolitan Development and Housing Agency its complete report and recommendations.

Section 5. Be it further enacted that this ordinance shall take effect immediately after its passage, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

INTRODUCED BY:

Bob Mendes
Member of Council, At-Large