

# **TIF STUDY GROUP IDEAS/QUESTIONS TO CONSIDER**

as of ~~February 18,~~[March 8,](#) 2019

*NOTE: This is a list of ideas and questions that have been raised at previous TIF Study Group meetings. This list is intended to assist with brain-storming next steps. Inclusion on this list is not an endorsement in any way.*

## 1. Goals

- a. Regularly establish:
  - i. objectives for tax increment financing
  - ii. planned incentives budget
- b. Address public perception of an "insider's club"? Address development community perception that TIF is not readily or easily available?
- c. Is there a "but-for" standard? When does it make sense for government to intervene in the market? How is that measured?
  - i. [Is "but-for" the right test? Or should the city be focused on public benefits that can be provided along with new private development?](#)
- d. Is providing public infrastructure the express goal (or an express goal) of TIF in Nashville?
  - i. [If so, who is deciding? And how much is being spent this way?](#)
- e. Is affordable housing the express goal (or an express goal) of TIF in Nashville?
- f. [Who will decide goals? Public involvement? Mayor? Council? MDHA? Planning? IDB?](#)

## 2. Transparency

- a. Post agendas, minutes, board materials?
- b. Provide written description of any informal processes for applying for a TIF loan?
- c. Provide written descriptions of denials?
- d. How to provide operating budget predictability for property tax revenue used for TIF loans? How many years into future can be projected accurately? How?
- e. How to increase public info/education about these important topics?
  - i. [NOTABLE TOPIC AT MARCH 6 PUBLIC HEARING](#)
  - ii. [Ideas from study group](#)
    1. [More clear published info about TIF](#)
    2. [TIF 101 workshops](#)
    3. [Explainer like the Metro Human Relations piece on affordable housing](#)
- f. What reporting is appropriate? Need good info to make good decisions?

## 3. Due diligence by government?

- a. Qualifications for reviewing proposed loan and development pro formas?
- b. What agency or agencies handle this role?

4. MDHA economic redevelopment districts
  - a. Periodically reassess "blight" determination
    - i. [City/MDHA should reassess goals periodically, including a look at where dollars were invested, and how much. Also, include a look at successes and weaknesses of a district, and possible next steps or new goals.](#)
    - ii. [Who does assessment? Planning?](#)
  - b. Design review? How important is this to redevelopment districts? Should MDHA be doing this? How to eliminate duplication of efforts between MDHA and Planning Department staff?
  - c. Should there be a checklist of things for the MDHA board, Metro Council, and the public to consider when redevelopment districts are created or amended?
  - d. Development community might like to get a yes/no decision earlier in the process (even if the decision is then contingent on checking certain boxes later).
  - e. Add a Citizens Advisory Committee?
5. Transit-oriented development districts
  - a. Process for building district financial projections? Metro Finance involvement? 3rd party review of projections? Methodology for preparing?
  - b. Should this be parcel-by-parcel TIF? Or collect increment from full district?
6. IDB
  - a. What should role be?
  - b. Additional IDB staff or capacity needed?
7. Diversity of TIF recipients
  - a. What are goals?
  - b. Ways to assist with transaction costs for TIF loans?
  - c. Ways to assist with encouraging lenders to make smaller TIF loans?
  - d. What are DBE requirements? How reported? How reviewed by public?
  - e. [Ideas from study group:](#)
    - i. [need to make "cookie cutter" to reduce costs](#)
    - ii. [need to work to balance to see if there is a program where both developer and bank making loan shares risk? Should Metro share some risk also?](#)
8. Affordable housing
  - a. How does Metro coordinate MDHA TIF, IDB TIF, and PILOT projects to maximize affordable housing units?
  - b. Infrastructure and land costs appear to be significant obstacles to affordable units being built – how to address?
9. Flow of tax increment funds
  - a. Increase Metro operating budget predictability?

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- b. Should there be a target amount of increment allowed each year to be used for TIF loans? How to set? How often?
  - c. Are there different ways to reflect the flow of tax increment funds through Metro's financial reporting to allow for easier understanding by the public?
10. Questions
- a. What changes apply to MDHA? IDB? Other agencies?
  - b. Apply new ideas prospectively, or amend existing economic redevelopment plans?
  - c. Different rules and/or processes for parcel-by-parcel TIF versus collecting increment from a full district?
  - d. What next steps are recommended?
  - e. What does reporting look like?
11. Pending legislation
- a. [BL2018-1319 \(as amended\)](#), An ordinance amending Chapter 5.06 of the Metropolitan Code of Laws regarding tax increment financing.
    - i. [LARGE INTEREST AT PUBLIC HEARING ABOUT SCHOOLS FUNDING](#)
    - ii. ~~i.~~ Set for 3rd and final reading on July 2, 2019
    - iii. ~~ii.~~ Council Director's legal analysis [here](#)
  - b. [BL2018-1320](#), An ordinance approving Amendment No. 8 to the Rutledge Hill Redevelopment Plan.
    - i. Set for 2nd reading on May 21, 2019
    - ii. Council Director's legal analysis [here](#)
  - c. [BL2018-1328](#), An ordinance amending Chapter 5.06 of the Metropolitan Code of Laws regarding tax increment financing development and redevelopment plans.
    - i. Set for 2nd reading on July 2, 2019
    - ii. Council Director's legal analysis [here](#)
12. Some select new ideas from the public hearing
- a. [Does use of district wide increment "end run" around capital spending plan?](#)
  - b. [Continue TIF freeze while tax rate is as low as it is?](#)
  - c. [Have "Do Better" bill apply to TIF deals?](#)
  - d. [Is 20% affordable goal appropriate for transit-oriented development district?](#)
  - e. [NACC concerned about diminishing the usefulness of TIF as a tool](#)
  - f. [NAIOP -- keep TIF as a tool and transparency; don't reduce tool, especially for smaller projects.](#)
  - g. [Increase transparency; explore IDB TIF](#)
  - h. [Require longer affordability period for units built with TIF?](#)
  - i. [Questions about how to measure success?](#)

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- j. Is it fair to be used only on big projects?
- 13. Possible report structure?
  - a. What is TIF
  - b. What is current status of TIF in Nashville?
  - c. Where are TIF projects located?
  - d. Recommendations
    - i. short term
    - ii. long term (along with recommendation for agencies to address each suggestion)
  - e. Frequently Asked Questions section

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Description	TIF Study Group draft ideas list 20190218
Document 2 ID	file:///C:/Users/Bob Mendes/Desktop/TIF Study Group report outline 20190308.docx
Description	TIF Study Group report outline 20190308
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Split/Merged cell	
Padding cell	

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