

Amendment No. 2

To

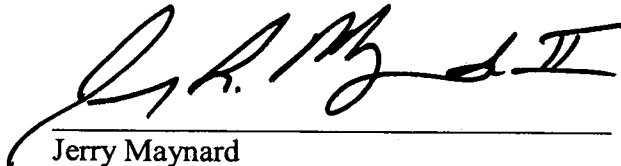
Second Substitute Resolution No. RS2007-78

Madam President:

I move to amend Second Substitute Resolution No. RS2007-78, as amended, by renumbering Section 3 as Section 4, and by adding the following new Section 3:

Section 3. Prior to implementation of the Economic Impact Plan approved pursuant to this Resolution, the developer(s) of the Bellevue Mall project shall submit a written minority owned business participation plan to the Industrial Development Board and the Metropolitan Government, with a copy of the plan to the Metropolitan Council. Such plan shall include a statement that the developer(s) will strive to maximize, to the extent practicable, participation of minority owned businesses through both prime and second tier business contracting opportunities associated with this project. During the construction of the project, the developer(s) shall prepare an annual written report for the Director of Finance and the Metropolitan Council describing the percentage of minority owned businesses that have been hired to complete the project, including a list of the actual expenditures to minority owned businesses.

INTRODUCED BY:



Jerry Maynard  
Member of Council



p:RS2007-78amd2

ADOPTED: AUGUST 7, 2008

Amendment No. 1

To

Second Substitute Resolution No. RS2007-78

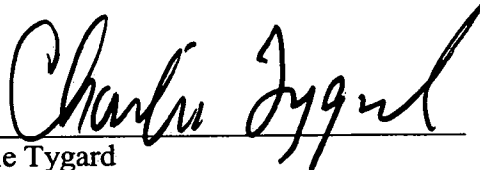
Madam President:

I move to amend Second Substitute Resolution No. RS2007-78 by renumbering Section 2 as Section 3, and by adding the following new Section 2:

Section 2. In the event the Director of Finance determines it is necessary to increase the base principal amount of the tax increment financing available for the Bellevue Mall project above \$12,000,000 (plus costs of issuance and capitalized interest), such increase in the base principal amount shall be approved by Resolution of the Metropolitan Council prior to the Director of Finance requesting the Industrial Development Board to take such action.

INTRODUCED BY:

\_\_\_\_\_  
Bo Mitchell

  
\_\_\_\_\_  
Charlie Tygard  
Members of Council



p:RS2007-78amd1

ADOPTED: AUGUST 7, 2008

## **SECOND SUBSTITUTE RESOLUTION NO. RS2007-78**

### **A resolution approving an Economic Impact Plan for the Bellevue Center Development Area.**

WHEREAS, the Metropolitan Government is interested in preserving and promoting the economic welfare, educational growth, and vitality of this community; and

WHEREAS, construction of a new branch public library in the Bellevue community will provide a necessary and substantial public benefit; and

WHEREAS, the Industrial Development Board of the Metropolitan Government of Nashville and Davidson County (the "Industrial Development Board") has reviewed an Economic Impact Plan in the form attached hereto as Exhibit 1 regarding the development of the area located in the vicinity of the Bellevue Center Mall; and

WHEREAS, the development proposed in the Economic Impact Plan will include a long desired and much needed branch public library in the Bellevue community; and the Plan will revitalize the surrounding area creating a vibrant neighborhood retail and gathering area; and

WHEREAS, the Industrial Development Board caused a public hearing with respect to the Economic Impact Plan to be held on November 30, 2007, as required by Tenn. Code. Ann. § 7-53-312(g) and at its meeting on November 30, 2007 approved the submission of the Economic Impact Plan to the Metropolitan Council; and

WHEREAS, the Industrial Development Board revised the Economic Impact Plan on April 8, 2008, following a public hearing, to explicitly state that a portion of the tax increment financing would be used to pay the costs associated with the construction of a new branch public library; and

WHEREAS, the library will be a state of the art public facility located in a prime retail location in the heart of Bellevue; and

WHEREAS, the revised Economic Impact Plan envisions tax increment financing being provided by the Industrial Development Board with the proceeds of the tax increment financing being used to pay all or a portion of the costs of the Project including, but not limited to, the costs of constructing a branch public library; and

WHEREAS, in accordance with the revised Economic Impact Plan, the Industrial Development Board would issue its bonds to lenders or bondholders to finance the tax increment financing eligible costs and would pledge the tax increment financing revenues to such lenders or bondholders to apply to the debt service on the tax increment financing bonds; and

WHEREAS, the tax increment financing shall not represent or constitute a debt or pledge of the faith and credit or the taxing power of the Industrial Development Board or the Metropolitan Government of Nashville and Davidson County; and

WHEREAS, the Metropolitan Government has determined that tax increment financing will promote economic growth and stability within the community.

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

Section 1. The Metropolitan County Council hereby approves the Economic Impact Plan, in the form attached hereto as Exhibit 1 and incorporated herein by reference, being in the interests of the citizens of the Metropolitan Government of Nashville and Davidson County, and the Industrial Development Board is authorized to take such other action as may be required to implement the Economic Impact Plan.

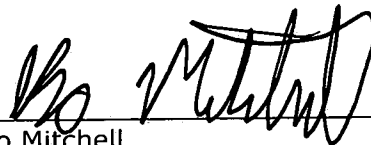
Section 2. This Resolution shall take effect from and after its adoption, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

APPROVED AS TO AVAILABILITY  
OF FUNDS:

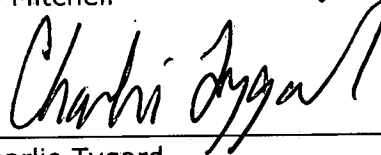


Richard M. Riebeling, Director  
Department of Finance

INTRODUCED BY:



Bo Mitchell



Charlie Tygard



Eric Crafton  
Members of Council

**THE INDUSTRIAL DEVELOPMENT BOARD OF THE METROPOLITAN  
GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**

**ECONOMIC IMPACT PLAN  
FOR  
BELLEVUE MALL 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 (as herein defined) is a large re-developed outdoor mall and the out-parcels, which surround the mall on the north side of Highway 70, east of Interstate 40. The Project will be located within the "Plan Area" on approximately 83 acres and it will encompass Metropolitan Tax Parcels Nos. 14200000100, 14200029700, 14200029800, 12800017000, 12800015200, 14200030100 and 14200035600, as well as certain adjacent public rights-of-way. The Plan Area is located on the north side of Highway 70, east of Interstate 40. The Plan Area, the retail and commercial service buildings to be improved and constructed thereon including space for a new branch library, and the improvements that must be made to the properties are herein referred to collectively as the "Project." In order to make the Project financially feasible, and to provide for the inclusion of a branch of the Nashville Public Library (the "Library Branch") therein the Industrial Development Board of the Metropolitan Government of Nashville and Davidson County (the "Board") intends, subject to the approval of the Metropolitan Council, to engage in tax increment financing pursuant to Title 7, Chapter 53 of Tennessee Code Annotated to provide funds to pay a portion of the cost of developing and improving the Project. The Project is an eligible project within the meaning of Tenn. Code Ann. § 7-53-101(11)(A).



### **III. Boundaries of Plan Area**

The Project is located within a growing retail and commercial area. The area that would be subject to this Economic Impact Plan, and to the tax increment financing provisions described below includes the following Metropolitan Tax Parcels Nos: 14200000100, 14200029700, 14200029800, 12800017000, 12800015200, 14200030100 and 14200035600 as well as certain adjacent public rights of way. The area that will be subject to this Plan is described in *Exhibit A* attached hereto and a list of the properties included in the Plan Area is shown on *Exhibit B* 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.

### **IV. Financial Assistance to Project**

The Board will provide financial assistance to the Project by applying the proceeds of the tax increment financing described herein to pay all or a portion of the cost of developing and improving the Project, including the costs associated with the Library Branch. The amount that will be available for such financial assistance shall be a base principal amount of \$12,287,000 plus all costs associated with the issuance of any notes, bonds or other obligations and the capitalized interest on such notes, bonds or other obligations during the construction of the Project and for two years following the estimated date of completion. Additionally, the Industrial Development Board, upon the request of the Director of Finance for Metropolitan Nashville and Davidson County (the "Finance Director") may increase the base principal amount of such funding that is available for the Project as appropriate to facilitate the construction and equipping of the Library Branch.

### **V. Expected Benefits to the City**

#### **Benefits to the Surrounding Properties**

The Project will benefit the surrounding properties in several ways. First, it will enhance the land valuation of the surrounding parcels by revitalizing a deteriorating retail facility and bringing economic life to the area. Second, it will encourage additional businesses to relocate to this shopping district in Bellevue, as the Project becomes a retail anchor for the Bellevue area. Finally, the Project will include the Branch Library and other amenities available to the public, which will be a direct public benefit to the Bellevue community.

### The Benefits to the City

The Metropolitan Government of Nashville and Davidson County ("the City") stands to benefit in many ways from the Project. The Project will include the Branch Library and other amenities available to the public, which is a significant benefit to the Bellevue community and to the city at large. The addition of a new library in the community has been a long time goal of the City and the Nashville Public Library board of directors. Incorporating the Branch Library into the Project allows a new branch library to be developed in a cost-effective manner and significantly in advance of the time when the City could provide direct funding for such a project.

The Project forecasts the addition of an approximately \$180 million dollar facility to the property tax rolls. After a period of tax increment financing, the addition to the tax base is expected to generate approximately \$1.8 million dollars per year in increased property taxes. Furthermore, sales tax and other local taxes will be positively affected by the improvement of this retail sector. It is projected that the state's portion of the sales tax revenue will be approximately \$24.5 million dollars annually and the local option will be approximately \$7.875 million dollars.

Existing businesses such as restaurants, hotels, and general merchandise stores will be able to attract additional business from the Project, and the addition of a public library to the Project will be a cultural asset for the community. It will enhance the community as a whole by providing a community gathering spot and a meeting place where individuals can read, research and learn.

Furthermore, the Project will directly create approximately 1,800-2,300 jobs. The average salary for these jobs will be \$29,000 per year. This economic growth will not be limited to the Plan Area. Instead, the economic growth will extend to the surrounding community. It is estimated that another 1,000 jobs will be indirectly created once this facility is renovated.

Additionally, the Plan Area will be enhanced aesthetically with a revitalized shopping mall positioned directly next to Highway 70 and Interstate 40.

### VI. Distribution of Property Taxes and Tax Increment Financing

- a. Distribution of Taxes. Property taxes, including personal property taxes, imposed by the City on the property located within the Plan Area shall be allocated and distributed after the effective date of the Economic Impact Plan as provided in this subsection. The taxes assessed by the City 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 shall be allocated to and, as collected, paid to the City as all other taxes levied by the City 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 City only the taxes actually imposed.

ii. The excess of real and personal property taxes over the Base Tax Amount 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 expenses of the Board in furtherance of promoting economic development in the City, to pay the cost of projects, or to pay debt service on bonds or other obligations issued by the Board to pay the cost of the projects. The Board is authorized to pay any and all such amounts received by the Board pursuant to T.C.A. § 7-53-312 to the payment of such bonds or other obligations.

b. TIF Obligations. The Board intends to use the tax increment financing revenues to pay debt service on obligations incurred to finance such costs. This tax increment financing will be structured as follows:

i. The Board will borrow \$12,287,000, plus sufficient funds to cover the costs associated with developing and improving the Branch Library if requested by the Finance Director, as provided above, plus all costs associated with the issuance of such notes, bonds, or other obligations, and the capitalized interest on such notes, bonds or other obligations during the construction of the Project and for two years following the estimated date of completion. The Board will borrow this money through the issuance and sale of notes, bonds or other obligations of the Board. The Board shall pledge any and all tax increment financing revenues allocated to the Board pursuant to 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 the Project including, but not limited to, the costs associated with constructing a public space in the Plan Area, building out and improving the Branch Library, updating the signalization on both Sawyer Brown Road and Highway 70, constructing a privacy wall on the north end of the Plan Area, building a sidewalk along a portion of Sawyer Brown Road and upgrading the water and sewer lines throughout the Plan Area. The proceeds of the notes, bonds or obligations shall also be used to pay the costs of issuance of such notes, bonds or



other obligations, and capitalized interest during the construction of the Project and for two years following the estimated date of completion. See T.C.A. § 7-53-303.

iii. The terms and conditions of any tax increment financing for the Project will be subject to the review and approval of the Finance Director.

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) thirty (30) years. See T.C.A. § 7-53-312.

d. Qualified Use. The Board and the City, by the adoption of this Economic Impact Plan find that the use of the tax increment financing 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 City at least two 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.

b. The governing body of the 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 body of the City, the clerk or other recording official of the 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.

d. The Economic Impact Plan shall become effective upon its approval by the City.

**EXHIBITS**

- A) Summary of Properties in Economic Development District
- B) Detailed List of Properties
- C) Map of the Plan Area
- D) Economic Impact Study

**Exhibit A**

**Summary of Properties in Economic Development District**

The Project will be located within the "Plan Area" on approximately 83 acres and it will encompass Metropolitan Tax Parcels Nos. 14200000100, 14200029700, 14200029800, 12800017000, 12800015200, 14200030100 and 14200035600, as well as certain adjacent public rights-of-way.





800 2nd Ave S  
Nashville, TN 37210  
www.nashville.gov/mpc

**Parcel ID:** 14200000100

**Property Address:** 7620 HIGHWAY 70 S  
NASHVILLE, TN 37221

**Owner Information:** BELLEVUE PROPERTIES,  
L.L.C.

333 S GRAND AV 28TH FL  
C/O OAKTREE MGMT

LOS ANGELES, CA 90071

Date Acquired: 10/9/1997

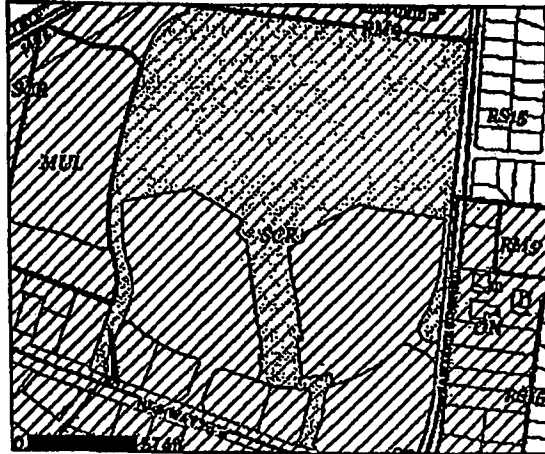
Document: DB-00010643  
0000619

**General**

**Information:** Census Tract: 18401001

Council District: 22

Land Use: 028, ENCLOSED  
MALL



**Property**

**Information:** Description: LOT 3 BELLEVUE CENTER 1ST REV RE-SUB LOTS 3,4,5,6,7,8

Acreage: 45.52

Dimensions: 0X0

Document: PL-00007900 0000473

**Zoning:**

Zoning: SCR, SHOPPING  
CENTER, REGIONAL

Date Effective: 1/1/1998

Case Number:

Bill Number: 096-555

**Overlays:**

Overlay District: OV-COM,  
COMMERCIAL PUD OVERLAY

Date Effective: 1/1/1998

Case Number:

Bill Number: 096-555

**Assessment**

**Information:** Sale Price: \$32,000,000.00

Date Assessed: 1/1/2007

Classes: C

Land Appraised Value: \$11,897,100.00

Improvement Appraised Value: \$702,900.00

Total Appraised Value: \$12,600,000.00

USD/GSD: GENERAL SERVICES DISTRICT

Service Area/Field Book: 09D 00720

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EXHIBIT

B



800 2nd Ave S  
Nashville, TN 37210  
www.nashville.gov/mpo

**Parcel ID:** 14200029800  
**Property Address:** 7624 HIGHWAY 70 S  
NASHVILLE, TN 37221  
**Owner Information:** DILLARD  
TENN. OPERATING  
LTD. PARTNERSHIP  
4501 N BEACH ST C/O  
DICK CURRY  
FORT WORTH, TX 76137  
Date Acquired: 2/2/1996  
Document: QC-00009944  
0000077

**General Information:** Census Tract: 18401001  
Council District: 22  
Land Use: 026,  
DEPARTMENT STORE

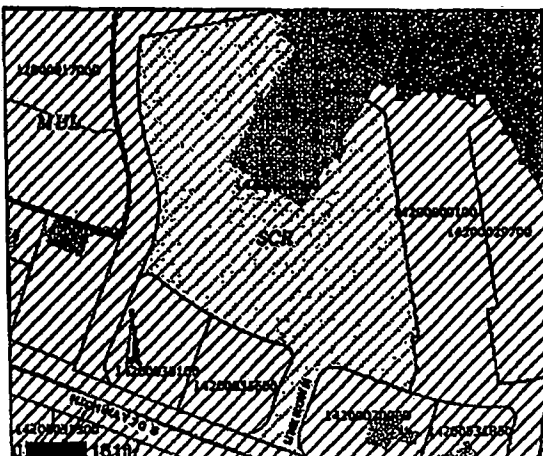
**Property Information:** Description: LOT 5 BELLEVUE CENTER 1ST REV RE-SUB LOTS 3,4,5,6,7,8  
Acreage: 12.59  
Dimensions: 0X0  
Document: PL-00007900 0000473

**Zoning:** Zoning: SCR, SHOPPING  
CENTER, REGIONAL  
Date Effective: 1/1/1998  
Case Number:  
Bill Number: 096-555

**Overlays:**

Overlay District: OV-COM,  
COMMERCIAL PUD OVERLAY  
Date Effective: 1/1/1998  
Case Number:  
Bill Number: 096-555

**Assessment Information:** Sale Price: \$250,000.00  
Date Assessed: 1/1/2005  
Classes: C  
Land Appraised Value: \$4,387,400.00  
Improvement Appraised Value: \$1,452,600.00  
Total Appraised Value: \$5,840,000.00  
USD/GSD: GENERAL SERVICES DISTRICT  
Service Area/Field Book: 09D 81358





800 2nd Ave S  
Nashville, TN 37210  
[www.nashville.gov/mpc](http://www.nashville.gov/mpc)

**Parcel ID:** 14200029700

**Property Address:** 7616 HIGHWAY 70 S  
NASHVILLE, TN 37221

**Owner Information:** MAY DEPARTMENT STORES CO., THE  
611 OLIVE ST # 1300 C/O  
HECHTS # 115  
ST LOUIS, MO 63101  
Date Acquired: 3/16/2001  
Document: DB-20010319  
0026231

**General Information:** Census Tract: 18401001  
Council District: 22  
Land Use: 026,  
DEPARTMENT STORE



**Property Information:** Description: LOT 4 BELLEVUE CENTER 1ST REV RE-SUB LOTS 3,4,5,6,7,8  
Acreage: 12.77  
Dimensions: 0X0  
Document: PL-00007900 0000473

**Zoning:** Zoning: SCR, SHOPPING  
CENTER, REGIONAL  
Date Effective: 1/1/1998  
Case Number:  
Bill Number: 096-555

**Overlays:**

Overlay District: OV-COM,  
COMMERCIAL PUD OVERLAY  
Date Effective: 1/1/1998  
Case Number:  
Bill Number: 096-555

**Assessment Information:** Sale Price: \$4,487,500.00  
Date Assessed: 1/1/2005  
Classes: C  
Land Appraised Value: \$4,450,100.00  
Improvement Appraised Value: \$1,219,900.00  
Total Appraised Value: \$5,670,000.00  
USD/GSD: GENERAL SERVICES DISTRICT  
Service Area/Field Book: 09D 81357

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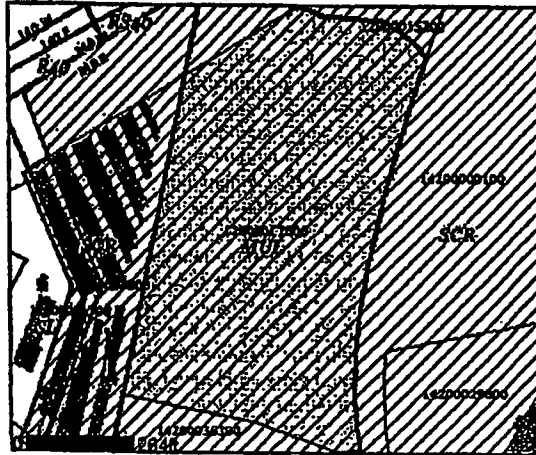
800 2nd Ave S  
Nashville, TN 37210  
[www.nashville.gov/mpc](http://www.nashville.gov/mpc)

**Parcel ID:** 12800017000

**Property Address:** 7634 HIGHWAY 70 S  
NASHVILLE, TN 37221

**Owner Information:** BELLEVUE PARCEL II,  
L.L.C.  
333 S GRAND AV 28TH FL  
C/O OAKTREE CPTL  
LOS ANGELES, CA 90071  
Date Acquired: 9/13/2004  
Document: DB-20040915  
0111415

**General Information:** Census Tract: 18401001  
Council District: 22  
Land Use: 020, VACANT  
COMMERCIAL LAND



**Property Information:** Description: PT LOT 1 BELLEVUE CENTER FIRST REVISION  
Acreage: 11.95  
Dimensions: 0X0  
Document: DB-20020522 0062445

**Zoning:**

Zoning: MUL, MIXED USE,  
LIMITED  
Date Effective: 8/17/2001  
Case Number: 2001Z-050G-  
06  
Bill Number: BL2001-733

**Overlays:**

Overlay District: OV-COM,  
COMMERCIAL PUD OVERLAY  
Date Effective: 5/30/1996  
Case Number: 94-71-G  
Bill Number: 096-280

**Assessment**

**Information:** Sale Price: \$2,000,000.00  
Date Assessed: 1/1/2005  
Classes: C  
Land Appraised Value: \$2,082,200.00  
Improvement Appraised Value: \$0.00  
Total Appraised Value: \$2,082,200.00  
USD/GSD: GENERAL SERVICES DISTRICT  
Service Area/Field Book: GSD 06657

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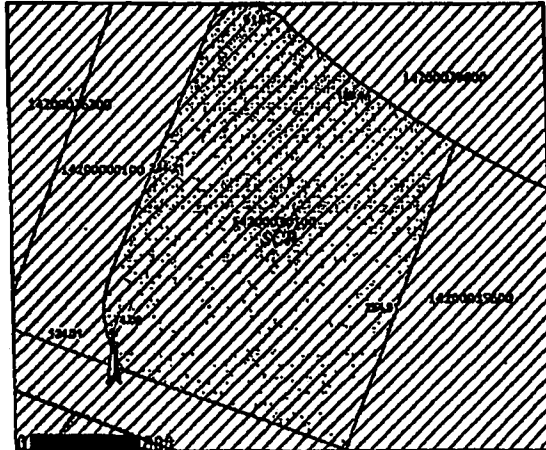
800 2nd Ave S  
Nashville, TN 37210  
[www.nashville.gov/mpc](http://www.nashville.gov/mpc)

**Parcel ID:** 14200030100

**Property Address:** 7614 B HIGHWAY 70 S  
NASHVILLE, TN 37221

**Owner Information:** BELLEVUE PARCEL, LLC  
333 S GRAND AV 28TH FL  
C/O OAKTREE MGMT  
LOS ANGELES, CA 90071  
Date Acquired: 9/12/2000  
Document: DB-20000912  
0090585

**General Information:** Census Tract: 18401001  
Council District: 22  
Land Use: 020, VACANT  
COMMERCIAL LAND



**Property Information:** Description: LOT 8 BELLEVUE CENTER RE-SUB OF LOT 8  
Acreage: 1.39  
Dimensions: 167X255  
Document: PL-20000518 0049868

**Zoning:**  
Zoning: SCR, SHOPPING  
CENTER, REGIONAL  
Date Effective: 1/1/1998  
Case Number:  
Bill Number: 096-555

**Overlays:**

Overlay District: OV-COM,  
COMMERCIAL PUD OVERLAY  
Date Effective: 1/1/1998  
Case Number:  
Bill Number: 096-555

**Assessment Information:** Sale Price: \$1,800,000.00  
Date Assessed: 1/1/2005  
Classes: C  
Land Appraised Value: \$968,800.00  
Improvement Appraised Value: \$0.00  
Total Appraised Value: \$968,800.00  
USD/GSD: GENERAL SERVICES DISTRICT  
Service Area/Field Book: 09D 81361

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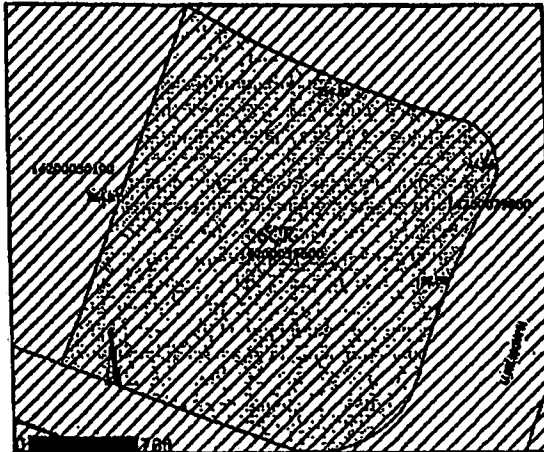
800 2nd Ave S  
Nashville, TN 37210  
[www.nashville.gov/mpc](http://www.nashville.gov/mpc)

**Parcel ID:** 14200035600

**Property Address:** 7614 A HIGHWAY 70 S  
NASHVILLE, TN 37221

**Owner Information:** BELLEVUE PARCEL, LLC  
333 S GRAND AV 28TH FL  
C/O OAKTREE CAPT  
LOS ANGELES, CA 90071  
Date Acquired: 9/12/2000  
Document: DB-20000912  
0090585

**General Information:** Census Tract: 18401001  
Council District: 22  
Land Use: 020, VACANT  
COMMERCIAL LAND



**Property Information:** Description: LOT 9 BELLEVUE CENTER RE-SUB OF LOT 8  
Acreage: 1.3  
Dimensions: 162X255  
Document: PL-20000518 0049868

**Zoning:**  
Zoning: SCR, SHOPPING  
CENTER, REGIONAL  
Date Effective: 1/1/1998  
Case Number:  
Bill Number: 096-555

**Overlays:**  
Overlay District: OV-COM,  
COMMERCIAL PUD OVERLAY  
Date Effective: 1/1/1998  
Case Number:  
Bill Number: 096-555

**Assessment Information:** Sale Price: \$1,800,000.00  
Date Assessed: 1/1/2005  
Classes: C  
Land Appraised Value: \$906,000.00  
Improvement Appraised Value: \$0.00  
Total Appraised Value: \$906,000.00  
USD/GSD: GENERAL SERVICES DISTRICT  
Service Area/Field Book: GSD 03372

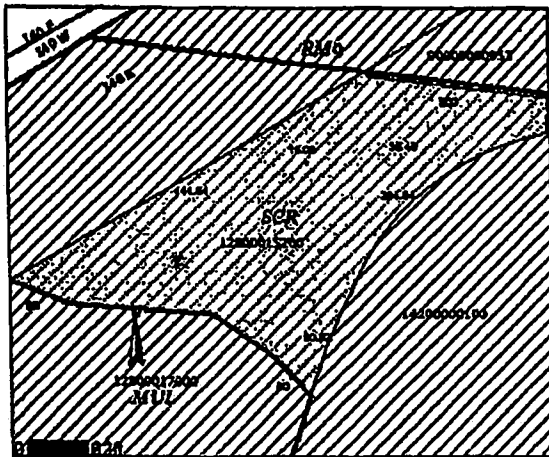
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800 2nd Ave S  
Nashville, TN 37210  
[www.nashville.gov/mpc](http://www.nashville.gov/mpc)

**Parcel ID:** 12800015200  
**Property Address:** 7632 HIGHWAY 70 S  
NASHVILLE, TN 37221  
**Owner Information:** FROST, CHARLES D. &  
ESTHER L.  
1214 TEMPLE CREST DR  
FRANKLIN, TN 37069  
Data Acquired: 9/29/2000  
Document: DB-20001018  
0103376

**General Information:** Census Tract: 18401001  
Council District: 22  
Land Use: 025, 1 STORY  
GEN RETAIL STORE



**Property Information:** Description: LOT 2 BELLEVUE CENTER FIRST REVISION  
Acreage: 1.82  
Dimensions: 0X0  
Document: PL-00006900 0000719

**Zoning:**  
Zoning: SCR, SHOPPING  
CENTER, REGIONAL  
Date Effective: 1/1/1998  
Case Number:  
Bill Number: 096-555

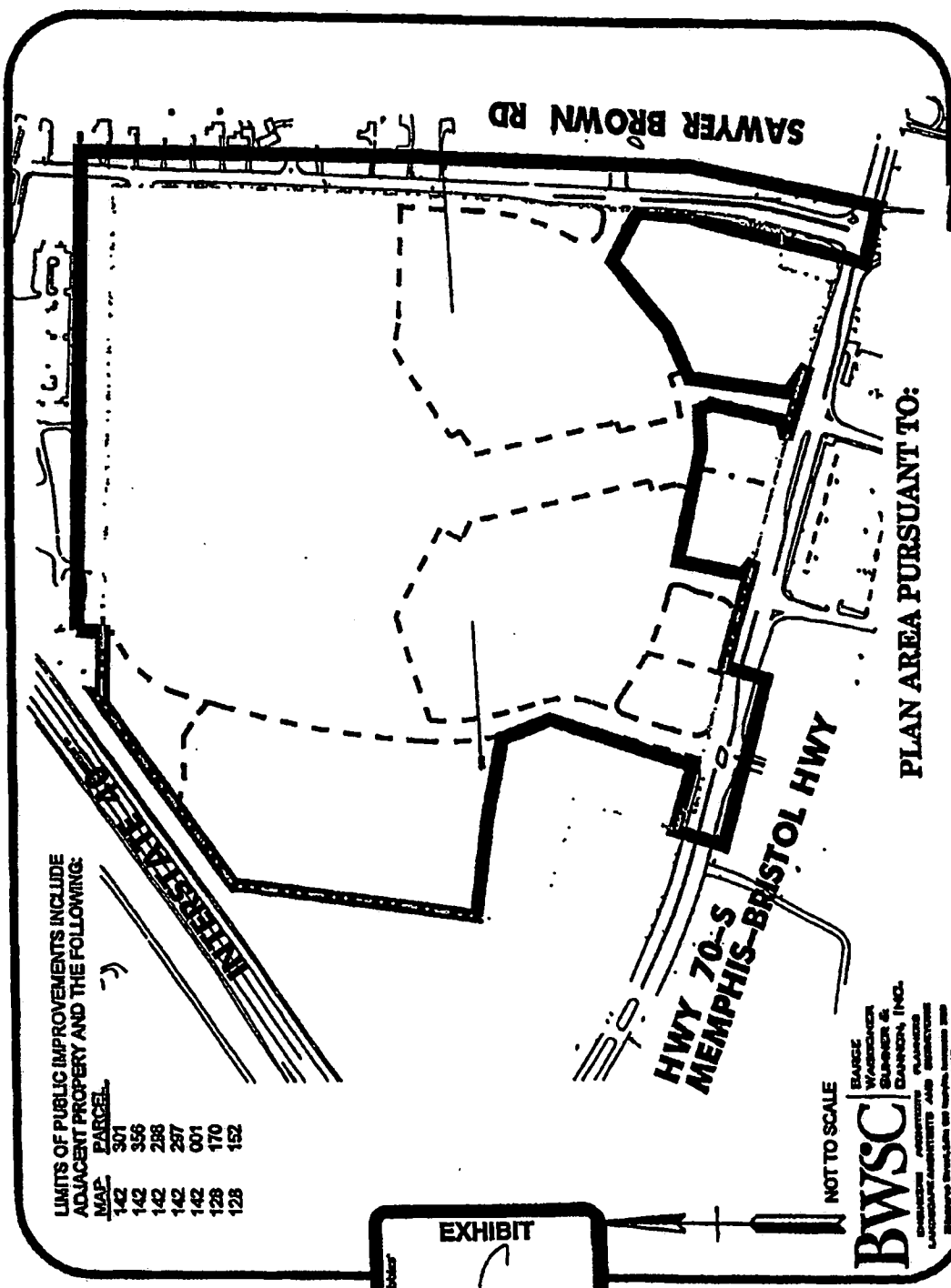
**Overlays:**  
Overlay District: OV-COM,  
COMMERCIAL PUD OVERLAY  
Date Effective: 1/1/1998  
Case Number:  
Bill Number: 096-555

**Assessment Information:** Sale Price: \$325,000.00  
Date Assessed: 1/1/2005  
Classes: C  
Land Appraised Value: \$475,700.00  
Improvement Appraised Value: \$597,800.00  
Total Appraised Value: \$1,073,500.00  
USD/GSD: GENERAL SERVICES DISTRICT  
Service Area/Field Book: 09D 81362

Created: 11/19/2007 9:12:00 AM

LIMITS OF PUBLIC IMPROVEMENTS INCLUDE  
ADJACENT PROPERTY AND THE FOLLOWING:

MAP	PARCEL
142	301
142	358
142	288
142	297
142	001
128	170
128	152



SAWYER BROWN RD

HWY 70-S  
MEMPHIS-BRISTOL HWY

PLAN AREA PURSUANT TO:

ECONOMIC IMPACT PLAN FOR BELLEVUE MALL  
DEVELOPMENT AREA

NOT TO SCALE

**BWSC**

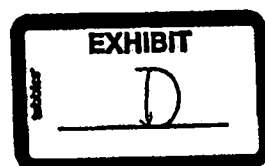
BRADLEY  
WILSON  
CLARK &  
DUNN, INC.  
CONSULTANTS  
ARCHITECTS AND ENGINEERS  
1000 PINE BLVD, SUITE 100  
MEMPHIS, TN 38103

EXHIBIT  
C

# **The Economic Impact of a Mall Facility in Davidson County, Tennessee**

**November, 2007**

**Mark L. Burton, Ph.D.  
University Research Group, LLC**



## **1. Introduction**

New and existing economic activity within a region impacts the local economy. This impact includes the selling of a portion of its goods and services to local customers and the purchase of the goods and services it needs from other local vendors. Finally, employees of the firm are likely to live in the community in question. And just like the business itself, these local employees also spend a portion of their income within the community.

The types of effects anticipated by new economic activity include additional jobs, incomes, and overall economic activity, additional tax revenues, and any potential demands for public sector expenditures. This study performs an analysis of these impacts which are attributable to economic activity at the Bellevue Center Mall in Nashville.

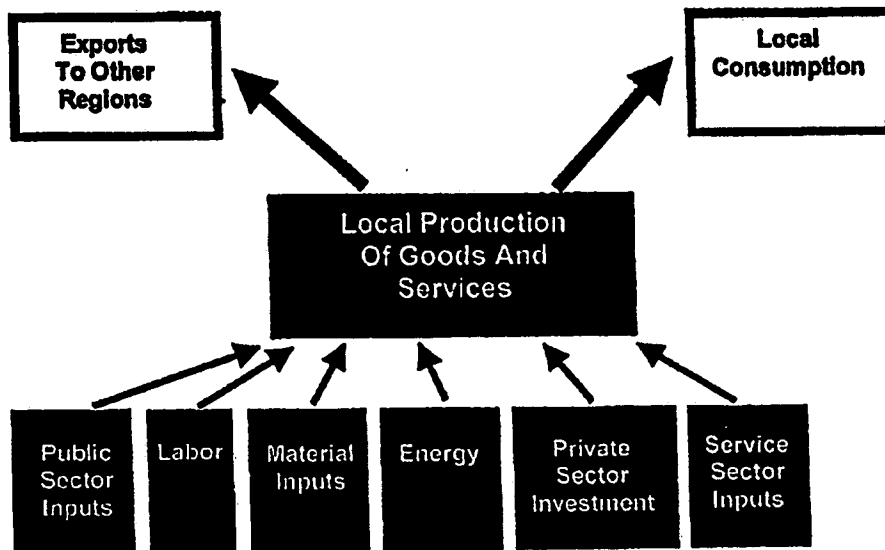
The study team is comprised of two UT-trained PhD economists, with substantial experience in identifying and estimating regional economic impacts and a highly trained support staff. It is the team's aim to provide a balanced study that will inform ongoing discussions. Beyond this single aim, study team members have no interest in any specific outcome.

The balance of the current document is organized as follows: Section 2 carefully describes the theoretical possibilities associated with the operation of a mall facility. This provides a foundation for regional specific economic simulations and modeling that are provided in Section 3. Because of their potential importance to the decision-making process, potential fiscal impacts are discussed in Section 4. Final comments are provided in Section 5.

## **2. The Analytical Setting**

The general workings of a regional economy are depicted in Figure 1 below. A community uses local resources, along with resources produced elsewhere to produce goods and services. Some of these goods and services are consumed locally and some are exported to other economic regions. Within the context of this figure, the Bellevue Center Mall is a substantial new private investment and a productivity improvement over existing economic activity at that location. To the extent that consumers who purchase goods and services at the Mall reside outside of the community, their expenditures in Cheatham County can be viewed as "exports" flowing into the County from the world outside.

Figure 1



Of the tens of millions of dollars expended annually by consumers at the mall, some will leave the community to purchase goods and services that are unavailable locally. However, many other dollars will remain within Davidson County representing local purchases and the wages of Mall employees who live in the County. Local businesses and residents will, in turn, spend these dollars and, again some of this second-round spending will occur within the County. In this way, the Mall's visitor expenditures will begin a multiplier process that amplifies the direct local economic impact of the original spending.

The Bellevue Center Mall will hire hundreds of permanent and seasonal employees. But because of the multiplier affect described above, the regional impact on employment will be measurably greater than the Mall total. The same is true for incomes. The Mall will spend millions on payroll annually, but again, the overall impact on impact on regional incomes will be greater still.

Very often the new entry of a large economic participant necessitates the investment of additional public dollars to develop accompanying infrastructure. For example a population increase associated with the construction of new residential communities very often requires additional public expenditures for local roads, utilities, and schools. In most cases, new residents will pay local taxes (sales taxes and property taxes for example) that will eventually help pay for the new infrastructure, but in the near

term, the new demands on the public sector can generate serious cash shortages. Accordingly, one must ask whether or not the Mall development will increase the demand for publicly-provided goods and services.

This question is treated empirically in Section 3. However, there is no immediately obvious indication that the Mall's development will require significant additional local public spending. While there may be a modest population increase associated with the additional economic activity, in a rapidly growing county like Davidson, it is likely to be swamped by total growth. So, demands for schools, local roads, or residential utilities are unlikely to be materially affected.

While it seems unlikely that the Bellevue Center Mall will substantially increase the demand for public expenditures, it will almost certainly contribute substantial sums to available public funds. Mall customers are expected to spend millions of dollars annually in Davidson County and nearly all of these expenditures will be subject to the local sales tax. To the extent that these visitors live outside the county, this outcome is ideal. This is why malls that draw from a larger metropolitan area have become an important focal point of economic development planning in many communities.<sup>1</sup>

The increased focus on retail establishments as viable economic development tools is due to three reasons. First, there is increased appreciation on the value retail plays in local property taxes and as an amenity for local residents.<sup>2</sup> Second, as consumers spend an increasing proportion of their income on retail goods, any effort to prevent leakages of residential expenditures boosts local economic activity. Finally, while it has long been true that malls attract consumers from surrounding regions, the growth of destination malls provides secondary economic benefits, especially when a region enjoys a robust tourism trade.

Moreover, the Mall will be subject to property tax on both real property and the value of its equipment. This provides a second important source of new tax revenue. Specific computational methods and revenue forecasts are provided in Section 4. In some cases, the rapid introduction of a new source of economic activity into an area can temporarily increase input prices for all users as markets adjust to increased demands. This is, however, of little concern in the current setting.

### **3. The Economic Impact of Bellevue Center Mall in Davidson County**

Our analysis of the economic impact of Bellevue Center Mall focuses on empirically estimating the expected changes outlined earlier. To do so we employ the

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<sup>1</sup> See Gibson, Lay J.; Albrecht, Bryant and Evans, Barry. "Is Retail Trade a Focus for Real Economic Development in the Knowledge-Based Economy?" *Applied Research in Economic Development*, 2003, 1(1), pp. 44-55.

<sup>2</sup> See Hicks, MJ *The Local Economic Impact of Wal-Mart*, Cambria Press, New York, 2007.

aforementioned input output model to evaluate the Mall's impact on employment, wages and total value of goods and services associated with the Bellevue Center Mall.

The input output model we use Implan – is available commercially from MIG, Inc. This model is widely used in these types of analysis, and is perhaps the best known regional modelling tool in use today. An input-output model is extremely useful in capturing the influence of new economic activity – such as the Bellevue Center Mall – on a region. The model provides analytical tools to estimate the proportion of new spending which remains within a region, and the proportion which flows out based upon a regions size and industrial and commercial structure. Further, the input-output model permits a highly disaggregated estimate of impacts, so that we not only know how much spending remains locally, but how much of it accrues to sub-sectors of the economy. Finally, the input-output model also permits us to view how much spending 're-circulates' through a local economy – the well known multiplier effect. We begin with a description of Davidson County and the Bellevue Center Mall

#### *Davidson County and Bellevue Center Mall*

Davidson County is one of eight counties in the Nashville Metropolitan Statistical Area, and with almost more than 570,000 residents in 2006 is the second largest county in the MSA with roughly one third of the population of the greater Nashville area. The county is relatively affluent, with a median household income of over \$49,000 in 2006. Into this county, Bellevue Center Mall plans to upgrade an existing mall facility.

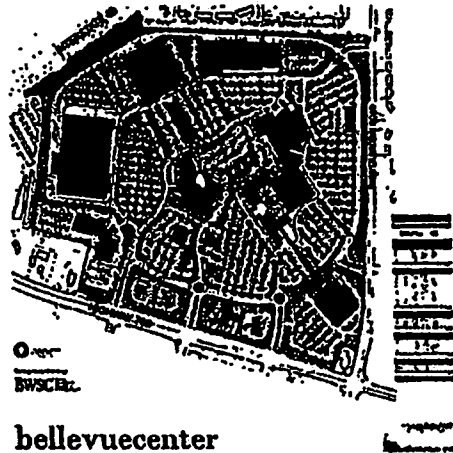
Incorporating the expected sales and employment at Bellevue Center Mall we can estimate the magnitude of impacts on wages, employment and total production during operation. Further, by estimating the local share of construction expenditures, we can capture impact of the construction phase of Bellevue Center Mall.

The first step in this evaluation is to define our study region. Since a significant proportion of employment at Bellevue Center Mall will occur within Davidson County we choose to limit the range of impacts directly to the county. This modestly understates our impacts, since some of the economic activity will leak into surrounding counties. However, we aim to produce conservative estimates of impacts, thus this is an appropriate trade-off.

The mall facility itself is located near interstate 40 and Highway 70S. See Figure 2 for an artistic representation of the facility.



Figure 2



In order to evaluate the economic impacts of the Bellevue Center Mall we first estimate employment from the disparate types of proposed tenants of the facility. These include a large discount store and a Sears and Macy's Department stores, four general merchandise stores and approximately 300,000 square feet of associated activities (lifestyle center with restaurants).

The total employment of these facilities should range from between 1,800 and 2,400 full time equivalent employees and over 800,000 square feet of retail space. The facility itself, as proposed would place the size, composition and earnings of the altered Bellevue Center Mall as a small Class A or larger Class B mall facility.

Importantly, the productivity of retail activities has been growing dramatically in the past decade. A 2002 McKinsey report found that perhaps a quarter of all U.S. productivity growth in the 1990's was attributable to retail trade. This trend bears mentioning since the associated impact of retail trade will thus be larger in more contemporary measurements than has traditionally been the case. So, the traditional multiplier should be greater than two in a large metropolitan areas like Nashville.

Using the mean job estimate (of 2,100 jobs) at the new mall facility, we estimate the impacts on associated employment using the Implan software discussed above. The results of the impacts on employment, wages and total economic activity (output) appear in Tables 1-3. The impacts are aggregated to the 2-digit North American Industrial Classification Standards.

**Table 1, Wage & Income Impact of Bellevue Center Mall**

	Direct	Indirect	Induced	Total
Ag. Forestry, Fish & Hunting	0	5,816	10,859	16,675
Mining	0	42,216	39,089	81,305
Utilities	0	154,295	162,668	316,963
Construction	0	900,964	289,064	1,190,028
Manufacturing	0	1,231,830	1,207,404	2,439,234
Wholesale Trade	0	1,027,581	2,404,394	3,431,975
Transportation & Warehousing	0	3,473,165	1,342,630	4,815,795
Retail trade	61,619,017	2,206,653	5,431,953	69,257,622
Information	0	2,839,347	861,794	3,701,141
Finance & Insurance	0	2,841,166	3,280,840	6,122,006
Real estate & rental	0	3,274,818	1,223,855	4,498,673
Prof- scientific & tech svcs	0	5,548,887	1,793,893	7,342,779
Management of companies	0	5,782,758	435,793	6,218,550
Administrative & waste services	0	4,094,391	1,082,357	5,176,747
Educational svcs	0	241,625	1,396,488	1,638,113
Health & social services	0	2,683	10,546,636	10,549,319
Arts- entertainment & recreation	0	516,917	677,373	1,194,289
Accommodation & food services	0	960,622	2,558,150	3,518,772
Other services	0	1,087,907	2,438,022	3,525,929
Government & non NAICs	0	977,673	622,574	1,600,247
<b>Total</b>	<b>61,619,017</b>	<b>37,211,311</b>	<b>37,805,835</b>	<b>136,636,162</b>

**Table 2, the Employment Impact of Bellevue Center Mall**

	Direct*	Indirect*	Induced*	Total*
Ag. Forestry, Fish & Hunting	0	1	2	3
Mining	0	3	2	5
Utilities	0	2	2	3
Construction	0	21	7	27
Manufacturing	0	21	19	41
Wholesale Trade	0	17	40	58
Transportation & Warehousing	0	80	30	110
Retail trade	2,100	74	179	2,353
Information	0	51	13	65
Finance & Insurance	0	42	52	94
Real estate & rental	0	94	35	129
Prof scientific & tech svcs	0	99	33	132
Management of companies	0	84	6	90
Administrative & waste services	0	147	38	185
Educational svcs	0	5	38	43
Health & social services	0	0	194	194
Arts- entertainment & recreation	0	11	23	34
Accommodation & food services	0	47	130	178
Other services	0	31	110	141
Government & non NAICs	0	12	9	21
<b>Total</b>	<b>2,100</b>	<b>842</b>	<b>964</b>	<b>3,906</b>

**Table 3, Total Output Impact of Bellevue Center Mall**

	Direct*	Indirect*	Induced*	Total*
Ag, Forestry, Fish & Hunting	0	20,151	46,343	66,494
Mining	0	653,746	605,254	1,258,999
Utilities	0	960,281	1,028,540	1,988,822
Construction	0	1,986,451	673,002	2,659,454
Manufacturing	0	3,728,025	5,439,813	9,167,837
Wholesale Trade	0	2,734,602	6,398,582	9,133,183
Transportation & Warehousing	0	6,544,549	3,239,507	9,784,055
Retail trade	350,000,000	5,816,096	13,436,985	369,253,088
Information	0	10,063,593	3,765,578	13,829,171
Finance & insurance	0	7,887,762	10,050,057	17,937,820
Real estate & rental	0	18,398,346	6,491,586	24,889,930
Professional- scientific & tech svcs	0	11,534,870	3,659,675	15,194,545
Management of companies	0	13,209,583	995,484	14,205,067
Administrative & waste services	0	7,767,038	2,171,612	9,938,650
Educational svcs	0	389,433	2,259,951	2,649,384
Health & social services	0	6,054	18,462,702	18,468,756
Arts- entertainment & recreation	0	975,788	1,471,256	2,447,044
Accommodation & food services	0	2,669,760	7,144,135	9,813,894
Other services	0	2,955,989	5,426,951	8,382,940
Government & non NAICs	0	4,196,416	16,536,889	20,733,306
<b>Total</b>	<b>350,000,000</b>	<b>102,498,531</b>	<b>109,303,900</b>	<b>561,802,438</b>

Thus, this facility will create direct employment for between 1,800 and 2,300 workers making on average \$29,000 per year. The total number of jobs created is over 3,900 which pay on average over \$34,000 per year. The total associated economic activity in the region is over \$560 million annually.

The fiscal impact of the facility includes taxes to Federal, State and local governments. We are most concerned with property and sales taxes in this context. The state's portion of the sales taxes on this activity are estimated at \$24.5 million annually, with the local option receipts valued at over \$7.875 million annually. Property taxes are estimated to \$2.26 million annually with a present value impact over twenty years (at a 4.5% interest rate) at more than \$30.7 million. No tax collections outside of sales or property will exceed \$1 million annually.

#### 4. Analysis and Summary

The current Bellevue Center Mall can be characterized as an underperforming mall asset. Indeed, its condition has deteriorated so much since opening that it is now listed on the Deadmalls.com registry of declining retail activities. This outcome is likely to place some modest fiscal drain on the community if the value of the property declines.

The proposed expansion and revitalization of this mall activity offers to significantly alter the profitability of the facility through the introduction of high productivity retail activity combined with more traditional retail venues. This outcome would preserve the property value of the facility, and therefore the tax revenue generating capacity of the facility. It is likely that the continued decline in the mall will also have secondary influence on surrounding property tax values. Indeed, retail mall activities have been estimated to play a significant role in local property tax valuations.<sup>3</sup>

The incremental impact of the revitalization of this mall is the comparison of the impacts subsequent to the expansion and revitalization versus what would otherwise occur. So, consideration of the property value enhancements and sales tax revenue should not be made from the current values, but rather from a reduced level as tenancy at the mall declines.

The direct jobs at the mall facility, subsequent to its revitalization should range from 1,800 to 2,300 full time equivalent jobs that pay on average \$29,000 annually. The associated economic activity will extend employment to over 3,900 total jobs, paying wages of \$34,000 per annum. The associated sales taxes should include \$7.875 million annually for the local option collections and property tax estimates of \$2.26 million.<sup>4</sup>

Importantly, due to the extreme decline in this mall, the sales and property tax estimates as well as the associated economic activity represent commercial gains that would otherwise likely not be realized under the mall's current configuration. Indeed, the property tax estimates provided here are conservative, per foot valuations for the typical Class B mall. Should the decline in the Bellevue Center Mall continue, the property valuations, on a market basis, could well decline by as much as 75 percent, if consistent with other failed malls.

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<sup>3</sup> "Wal-Mart's Impact on Local Revenue and Expenditure Instruments in Ohio, 1988-2003", *Atlantic Economic Journal*, Vol 35, No. 1, March 2007. pp 77-93.

<sup>4</sup> Property values derived from regional comparisons and FX Diebold Group, LLC, *Econometric Modeling of Mall Transactions Prices A Preliminary Investigation*, June 2006

ORIGINAL

SECOND SUBSTITUTE  
METROPOLITAN COUNTY COUNCIL  
Resolution No. RS2007-78

A RESOLUTION APPROVING AN ECONOMIC  
IMPACT PLAN FOR THE BELLEVUE CENTER  
DEVELOPMENT AREA.

SECOND  
SUBSTITUTE  
*Introduced* AUG 7 2008  
*Amended* AUG 7 2008

*Adopted* AUG 7 2008  
*Approved* AUG 18 2008

By K. L. F. H.  
Metropolitan Mayor