**METROPOLITAN DEVELOPMENT AND HOUSING AGENCY**

**MEMORANDUM**

December 17, 2018

**TO:** TIF Review Committee

**FROM:** Joe Cain, Director of Urban Development, MDHA

**SUBJECT:** Preliminary Revenue Analysis of MDHA Redevelopment Districts

This memorandum represents preliminary findings related to the impact MDHA Redevelopment Districts have on the City of Nashville’s Property Tax Revenues. This is not a complete fiscal revenue analysis as it does not estimate public revenue from other sources within MDHA’s Redevelopment Districts, such as sales tax, hotel occupancy tax, business tax, fines, permits, fees, etc. A more comprehensive study would need to be done to gain a complete picture of the net fiscal impacts of MDHA’s Redevelopment Districts.

This memorandum draws on data that was collected during the planning phase of the Donelson Transit-Oriented Development District. The document is organized in the following manner:

**Table 1: Assessed Value Growth from 2009 to 2017**

**Table 1** provides an overview of the Assessed Value growth within our Redevelopment Districts as well as in the county as a whole. 2009 and 2017 were chosen because county-wide reassessment took place in both years, providing more accurate representation of values. For 2009, assessed values were estimated from data that was provided to MDHA from the Planning Department as a shapefile. 2017 assessed values were provided to MDHA from the Davidson County Assessor’s Office. Assessed Value was used in this analysis because the assessed value is ultimately what property tax revenues are tied to, rather than the appraised value which gets discounted differently depending on commercial or residential uses. The data shows that Assessed Values within the MDHA Districts are increasing substantially faster than in the county as a whole. It is important to note that the countywide data is inclusive of the Redevelopment Districts.

**Table 2: Property Tax Growth 2009 to 2017**

**Table 2** provides insight into actual property tax revenue growth within MDHA’s Redevelopment Districts as well as the county as a whole. Similar to the previous table, this data shows that annual tax revenue growth within MDHA’s Redevelopment Districts (5%-19%) is substantially outpacing revenue growth citywide (2%).

**Table 3: AV Growth of Sample Redevelopment District Parcels**

Since the above tables show district-wide data which is inclusive of substantial new development, an effort was made to identify properties that have not had significant rehab undertaken for an extended period of time and see how those values have grown. **Table 3** illustrates the AV growth of a sample of 4 parcels in each district that have not undergone new construction. Annual AV growth rowth of these parcels ranges from 3% to 18%.

**Table 1: Assessed Value Growth**

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**Table 2: Property Tax Revenue Growth**

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**Table 3:**

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