

ORDINANCE NO. BL2018-1320

An ordinance approving Amendment No. 8 to the Rutledge Hill Redevelopment Plan.

WHEREAS, the Rutledge Hill Redevelopment Plan (the "Rutledge Hill Plan") consisting of text, exhibits, and maps, currently exists as previously approved by Ordinance Number 80-133, and subsequently amended by the adoption of Ordinance Nos. 86-1131, 87-1695, 91-1520, 97-755, 97-754, BL2005-875, BL2013-377, BL2014-699; and

WHEREAS, the Rutledge Hill Plan is a "redevelopment plan", as defined in Tennessee Code Annotated Section 13-20-203(a)(1), that was previously approved by the Metropolitan Council, a "governing body" under applicable law; and

WHEREAS, this amendment to the Rutledge Hill Plan is subject to the approval of the Board of Commissioners of the Metropolitan Development and Housing Agency ("MDHA") and subsequent final passage on third reading by the Metropolitan Council of Nashville and Davidson County, Tennessee; and

WHEREAS, on April 6, 2016, the Metropolitan Government enacted Chapter 5.06 of the Metropolitan Code of Law, which among other things, required that all further redevelopment plans and amendments to redevelopment plans include provisions to prohibit proceeds from the sale of land by MDHA from being used for projects or improvements in other plan areas; and the Rutledge Hill Plan does not currently comply with this requirement; and

WHEREAS, in the most recent amendment to the Rutledge Hill Plan, which was Ordinance No. BL2014-699, the amendment appears to inadvertently identify the "Tax Increment" section of the plan as "Section G" when it should have been identified as "Section H"; and

WHEREAS, in the most recent amendment to the Rutledge Hill Plan, which was Ordinance No. BL2014-699, language was added that appears to inadvertently allow tax increment financing related to the Rutledge Hill Redevelopment Plan to be used to carry out different adopted and approved redevelopment plans; and

WHEREAS, it would be in the best interests of the citizens of Nashville if future tax increment financing under the Rutledge Hill Plan not use any debt service funds or schools funds for that financing; and

WHEREAS, the Council has held a public hearing and has carefully considered and reviewed the proposed amendment.

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

Section 1. The Rutledge Hill Plan is amended by adding a new Section C.3 that states as follows:

Proceeds from all land sold by the Metropolitan Development and Housing Agency, whether purchased for resale or previously publicly-owned, shall be placed in a revolving fund for further purchase of land for resale and redevelopment in the Project Area, public improvements and facilities in the Project Area, and implementation of this redevelopment plan. The revolving fund will be held and managed by MDHA. At the completion or close of the project, all funds remaining will be deposited to the General Fund of the Metropolitan Government.

Section 2. The following language in Section 6 of Ordinance No. BL2014-699 is hereby deleted:

That the Rutledge Hill Plan is amended by replacing Section G "Tax Increment" of the Plan in its entirety and replacing it with the following...

and instead is hereby replaced with the following:

That the Rutledge Hill Plan is amended by replacing Section H "Tax Increment" of the Plan in its entirety and replacing it with the following...

Section 3. The Rutledge Hill Plan is amended by deleting the following text from the end of Section H "Tax Increment":

...or other adopted and approved redevelopment plans.

Section 4. That the Rutledge Hill Plan is amended by adding the following at the end of the Section of the Plan entitled "Tax Increment":

Notwithstanding anything to the contrary in this Plan, for all new TIF loans provided by MDHA under the Rutledge Hill Redevelopment Plan after the effective date of BL2018-1320, whether through bonded or other indebtedness, MDHA shall require that the debt service taxes and schools taxes shall be retained by the metropolitan government, or if received by MDHA pursuant to tax increment statutes, shall be paid to the metropolitan government before any incremental tax revenues may be used to pay the principal and interest on such new TIF loan. The debt service taxes to be retained by or paid to the metropolitan government for each such new TIF loan shall be determined by multiplying the total taxes from all parcels generating incremental tax revenues pledged to secure the TIF loan by the debt service tax percentage applicable as of the date of the closing of the TIF loan. The schools taxes to be retained by or paid to the metropolitan government for each such new TIF loan shall be determined by multiplying the total taxes from all parcels generating incremental tax revenues pledged to secure the TIF loan by the schools tax percentage applicable as of the date of the closing of the TIF loan.

For purposes of this Section regarding Tax Increment Financing, the following definitions shall apply:

(1) "Debt service taxes" means, for property located in the General Services District, that portion of property taxes designated by the metropolitan government property tax levy ordinance to be distributed to the General Services District Debt Service Fund and the School Debt Services Fund, and for property located in the Urban Services District, that portion of property taxes designated by the metropolitan government property tax levy ordinance to be distributed to the General Services District Debt Service Fund, the School Debt Services Fund and the Urban Services District Debt Service Fund.

(2) "Debt service tax percentage" shall mean the percentage obtained by dividing the debt service taxes for the applicable year by the total taxes for the applicable year.

(3) "Incremental tax revenues" means incremental property tax revenues to be allocated by the Metropolitan Government to MDHA pursuant to applicable tax increment statutes.

(4) "Schools taxes" means, for property located in the General Services District, that portion of property taxes designated by the metropolitan government property tax levy ordinance to be distributed to the General Services District Schools Fund, and for property located in the Urban Services District, that portion of property taxes designated by the metropolitan government property tax levy ordinance to be distributed to the Urban Services District Schools Fund.

(5) "Schools tax percentage" means the percentage obtained by dividing the schools taxes for the applicable year by the total taxes for the applicable year.

(6) "Tax increment statutes" means Title 7, Chapter 53, Title 9, Chapter 23, and Title 13, Chapter 20 of the Tennessee Code Annotated.

(7) "TIF loan" means any loan or other debt obligation made to or by MDHA pursuant to applicable tax increment statutes for which incremental tax revenues are pledged for payment of such loan or other debt obligation.

(8) "Total taxes" means, for property located in the General Services District, the property taxes designated by the metropolitan government property tax levy ordinance to be distributed to the General Services District General Fund, the School Fund, the General Services District Debt Service Fund and the School Debt Services Fund, and for property located in the Urban Services District, the property taxes designated by the metropolitan government property tax levy ordinance to be distributed to the General Services District General Fund, the School Fund, the General Services District Debt Service Fund, the School Debt Services Fund, the Urban Services District General Fund and the Urban Services District Debt Service Fund.

Section 5. That this Ordinance shall take effect from and after its adoption, the welfare of the Metropolitan Government of Nashville and Davidson County requiring it.

INTRODUCED BY:

Bob Mendes
Member of Council, At-Large