

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

**as of February 18, 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?
- d. Is providing public infrastructure the express goal (or an express goal) of TIF in Nashville?
- e. Is affordable housing the express goal (or an express goal) of TIF in Nashville?

## **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?
- 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

- 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?
- 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?
  - b. Should there be a target amount of increment allowed each year to be used for TIF loans? How to set? How often?

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- 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. Set for 3rd and final reading on July 2, 2019
  - 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](#)

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