

Economic Impact of Tax Increment Financing

December 20, 2018

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Overview

- What are the economic arguments for TIF?
 - The “no brainer” argument
 - The “raises all ships” argument
- Analysis
 - MDHA projections and data from proposed Donelson TOD
 - Examine assumptions
- Example: Cummins Station, 209 10th Avenue South
- Further analysis needed?

The “no brainer” argument for TIF

- “Something later is better than nothing now”
 - Example site today – Appraised value is \$1.9mm generating \$24k in taxes
 - Example site in a few years – value of \$40mm generating \$500k in taxes
 - So, the argument is that it’s a no-brainer to use TIF to help develop that site to get the significant new tax revenue
- But-for test? With no TIF, will it...
 - ...stay as-is?
 - ...develop into \$40mm property anyway?
 - ...develop into \$40mm property with no affordable housing?
 - ...develop into \$30mm property?

“no brainer” argument...continued...

- Different answers depending on what you think is going to happen?
- If property will stay as-is without TIF, then consider offering loan depending on how well the project matches with strategic goals
 - What are goals?
 - Who decides? When? How often?
- If it will develop into \$40mm property anyway, do NOT offer loan
- Harder calls...
 - ...develop into \$40mm property, but with no affordable housing?
 - ...develop into \$30mm property?
 - Who makes these decisions now? Who should make these decisions?

The “raises all ships” argument for TIF

- “TIF helps property values for the entire area”
 - How does this apply when the increment from a single parcel is pledged to pay a TIF loan?
 - How does this apply when the increment for an entire district is pledged to pay TIF loans?
- Do we know the impact a TIF loan property has on the value of nearby properties?
 - Look at data from proposed Donelson Transit Oriented Redevelopment District.

“raises all ships”...continued...

- When the increment for an entire district is pledged to pay TIF loans
 - Donelson TOD provided opportunity to examine issue
 - MDHA prepared:
 - Projections shared in June 2018 (EXHIBIT 1)
 - Based on internal data (EXHIBIT 2, shared with me before final vote in August 2018)
 - No other projections or data prepared by anyone else
- MDHA’s projections (EXHIBIT 1) assumed:
 - Undeveloped property in district would increase in **VALUE** by
 - 6% per year for 10 years
 - 5% per year for another 20 years after that
 - The **PROPERTY TAX REVENUE** from undeveloped property in district would increase
 - 6% per year for 10 years
 - 5% per year for another 20 years after that

“raises all ships”...continued...

- What were MDHA’s projections based on?
 - EXHIBIT 2 has data MDHA relied upon.
 - MDHA reports data was a random sample of 6 districts that are at least 20 years old
 - For undeveloped properties in the 6 districts, MDHA calculated:
 - MDHA reported average increase in property VALUE of 9.59% per year
 - MDHA reported average increase in PROPERTY TAX REVENUE of 8.82% per year
 - MDHA reports that its assumptions (6% per year for 10 years, and 5% per year after that) were a conservative estimate based on this data.
- Criticisms of the data...

“raises all ships”...continued...

- Criticism #1 – MDHA data assumes Metro adjusts tax rates at same time as property value reassessments
 - Example – MDHA EXHIBIT 2 data runs through 2018
 - However, property tax revenue will stay flat in 2019
 - If run same data through 2019, then the average increase in PROPERTY TAX REVENUE will be 8.5% (instead of 8.82% per year) – DOWN 4% (See EXHIBIT 3)
 - Summary – projecting value of TIF to Metro assumes that Metro reasonably and regularly adjusts the property tax rate

“raises all ships”...continued...

- Criticism #2 – sampled properties not fully representative of districts
 - Slight changes to EXHIBIT 2 data change results of MDHA analysis by >10%
 - 2018 vs 2019
 - 1984 vs 1992/93
 - Add just two parcels
 - Then...
 - The average increase in **VALUE** will be 8.19% (instead of 9.59% per year) – DOWN 15%
 - The average increase in **PROPERTY TAX REVENUE** will be 7.78% (instead of 8.82% per year) – DOWN 12%
 - See EXHIBIT 4
 - Summary – significantly different results with minor, reasonable changes in data analyzed

“raises all ships”...continued...

- Criticism #3 – common sense results for individual properties
 - Some of the most dramatic data points in MDHA’s EXHIBIT 2 analysis are
 - 209 10th Avenue South (Cummins Station)
 - 521 8th Avenue South
 - MDHA’s EXHIBIT 2 suggests that, due to these properties being in Arts Center district:
 - Cummins Station has increased in VALUE by an average of 16.8% per year for 25 years
 - 521 8th Avenue South has increased in VALUE by an average of 14.4% per year for 26 years
 - HOWEVER, Arts Center was created in 1998
 - Cummins Station, from 1984 to 1998, the VALUE increased by 19.2% per year
 - Cummins Station, from 1998 to 2019, the VALUE increased by 6.5% per year
 - 521 8th Ave S, from 1992 to 1997, the VALUE increased by 24.6% per year
 - 521 8th Ave S, from 1997 to 2019, the VALUE increased by 9.9% per year
 - See EXHIBIT 5
 - Using these common-sense results would further erode results in EXHIBITS 2 to 4

Example: Art Center district, Cummins Station

- Just looking at a single property...
 - 1993 to 2018, VALUE increase is 16.8% per year (EXHIBIT 2)
 - 1993 to 2019, VALUE increase is 16.1% per year (EXHIBIT 3)
 - 1984 to 2019, VALUE increase is 11.4% per year (EXHIBIT 4)
 - 1984 to 1998, VALUE increase is 19.2% per year (EXHIBIT 5)
 - 1998 to 2019, VALUE increase is 6.5% per year (EXHIBIT 5)
- Question: If Cummins Station has increased in value 6.5% per year since the Arts Center district was created 20 years ago, is 6% or 5% reasonable in Donelson for a 30 year period?

Open questions for further analysis

- Do we have reliable data about the impact of TIF on the value of nearby properties?
- Can we determine how much value is impacted by existing market forces versus proximity to a TIF loan property?
- What is the valid sample size for this analysis?
- Can we conclude that market values for nearby properties increase as a result of being close to a TIF loan property?

EXHIBIT 1

Received from MDHA in 06/2018

TIF Loans as Private Development Occurs

Event (s)	Year	Base AV ¹	Base Prop Tax ²	Natural AV Growth	AV growth from TORD	New AV (from total value growth)	New AV Increment (from value growth)	TIF Revenue from AV Growth	New Private Development AV ³	TIF From New Dev AV	Total Prop Tax Proceeds	Total Tax Increment Generated	TIF Loans Issued ⁴	TIF Debt Payment ⁵	Excess Tax Increment ⁶
Formula		a	b = a * 2.660%	c	d	e = a * (1+c+d)	f = e - a	g = f * 2.660%	h	i = h * 2.660%	j = b + g + i	k = g + i			
	2017	\$33,178,574	\$882,550								\$882,550	\$0			
TIF Creation	2018	\$33,178,574	\$882,550	3%	3%	\$35,169,288	\$1,990,714	\$52,953	\$0	\$0	\$935,503	\$52,953			\$52,953
	2019	\$33,178,574	\$882,550	3%	3%	\$37,279,446	\$4,100,872	\$109,083	\$12,000,000	\$319,200	\$1,310,833	\$428,283	\$3,000,000	-\$308,888	\$119,395
	2020	\$33,178,574	\$882,550	3%	3%	\$39,516,212	\$6,337,638	\$168,581	\$24,000,000	\$638,400	\$1,689,531	\$806,981	\$3,000,000	-\$617,777	\$189,205
	2021	\$33,178,574	\$882,550	3%	3%	\$41,887,185	\$8,708,611	\$231,649	\$36,000,000	\$957,600	\$2,071,799	\$1,189,249	\$3,000,000	-\$926,665	\$262,584
	2022	\$33,178,574	\$882,550	3%	3%	\$44,400,416	\$11,221,842	\$298,501	\$48,000,000	\$1,276,800	\$2,457,851	\$1,575,301	\$3,000,000	-\$1,235,553	\$339,748
	2023	\$33,178,574	\$882,550	3%	3%	\$47,064,441	\$13,885,867	\$369,364	\$60,000,000	\$1,596,000	\$2,847,914	\$1,965,364	\$3,000,000	-\$1,544,441	\$420,923
	2024	\$33,178,574	\$882,550	3%	3%	\$49,888,308	\$16,709,734	\$444,479	\$72,000,000	\$1,915,200	\$3,242,229	\$2,359,679	\$3,000,000	-\$1,853,330	\$506,349
	2025	\$33,178,574	\$882,550	3%	3%	\$52,881,606	\$19,703,032	\$524,101	\$84,000,000	\$2,234,400	\$3,641,051	\$2,758,501	\$3,000,000	-\$2,162,218	\$596,283
	2026	\$33,178,574	\$882,550	3%	3%	\$56,054,503	\$22,875,929	\$608,500	\$96,000,000	\$2,553,600	\$4,044,650	\$3,162,100	\$3,000,000	-\$2,471,106	\$690,993
	2027	\$33,178,574	\$882,550	3%	3%	\$59,417,773	\$26,239,199	\$697,963	\$108,000,000	\$2,872,800	\$4,453,313	\$3,570,763	\$3,000,000	-\$2,779,995	\$790,768
	2028	\$33,178,574	\$882,550	3%	2%	\$62,388,661	\$29,210,087	\$776,988	\$120,000,000	\$3,192,000	\$4,851,538	\$3,968,988	\$3,000,000	-\$3,088,883	\$880,105
	2029	\$33,178,574	\$882,550	3%	2%	\$65,508,095	\$32,329,521	\$859,965	\$123,600,000	\$3,287,760	\$5,030,275	\$4,147,725		-\$3,088,883	\$1,058,842
	2030	\$33,178,574	\$882,550	3%	2%	\$68,783,499	\$35,604,925	\$947,091	\$127,308,000	\$3,386,393	\$5,216,034	\$4,333,484		-\$3,088,883	\$1,244,601
	2031	\$33,178,574	\$882,550	3%	2%	\$72,222,674	\$39,044,100	\$1,038,573	\$131,127,240	\$3,487,985	\$5,409,108	\$4,526,558		-\$3,088,883	\$1,437,675
	2032	\$33,178,574	\$882,550	3%	2%	\$75,833,808	\$42,655,234	\$1,134,629	\$135,061,057	\$3,592,624	\$5,609,803	\$4,727,253		-\$3,088,883	\$1,638,370
	2033	\$33,178,574	\$882,550	3%	2%	\$79,625,498	\$46,446,924	\$1,235,488	\$139,112,889	\$3,700,403	\$5,818,441	\$4,935,891		-\$3,088,883	\$1,847,008
	2034	\$33,178,574	\$882,550	3%	2%	\$83,606,773	\$50,428,199	\$1,341,390	\$143,286,276	\$3,811,415	\$6,035,355	\$5,152,805		-\$2,779,995	\$2,372,810
	2035	\$33,178,574	\$882,550	3%	2%	\$87,787,112	\$54,608,538	\$1,452,587	\$147,584,864	\$3,925,757	\$6,260,895	\$5,378,344		-\$2,471,106	\$2,907,238
	2036	\$33,178,574	\$882,550	3%	2%	\$92,176,468	\$58,997,894	\$1,569,344	\$152,012,410	\$4,043,530	\$6,495,424	\$5,612,874		-\$2,162,218	\$3,450,656
	2037	\$33,178,574	\$882,550	3%	2%	\$96,785,291	\$63,606,717	\$1,691,939	\$156,572,782	\$4,164,836	\$6,739,325	\$5,856,775		-\$1,853,330	\$4,003,445
	2038	\$33,178,574	\$882,550	3%	2%	\$101,624,555	\$68,445,981	\$1,820,663	\$161,269,966	\$4,289,781	\$6,992,994	\$6,110,444		-\$1,544,441	\$4,566,003
	2039	\$33,178,574	\$882,550	3%	2%	\$106,705,783	\$73,527,209	\$1,955,824	\$166,108,064	\$4,418,475	\$7,256,848	\$6,374,298		-\$1,235,553	\$5,138,745
	2040	\$33,178,574	\$882,550	3%	2%	\$112,041,072	\$78,862,498	\$2,097,742	\$171,091,306	\$4,551,029	\$7,531,321	\$6,648,771		-\$926,665	\$5,722,106
	2041	\$33,178,574	\$882,550	3%	2%	\$117,643,126	\$84,464,552	\$2,246,757	\$176,224,046	\$4,687,560	\$7,816,867	\$6,934,317		-\$617,777	\$6,316,540
	2042	\$33,178,574	\$882,550	3%	2%	\$123,525,282	\$90,346,708	\$2,403,222	\$181,510,767	\$4,828,186	\$8,113,959	\$7,231,409		-\$308,888	\$6,922,521
	2043	\$33,178,574	\$882,550	3%	2%	\$129,701,546	\$96,522,972	\$2,567,511	\$186,956,090	\$4,973,032	\$8,423,093	\$7,540,543		\$0	\$7,540,543
	2044	\$33,178,574	\$882,550	3%	2%	\$136,186,624	\$103,008,050	\$2,740,014	\$192,564,773	\$5,122,223	\$8,744,787	\$7,862,237		\$0	\$7,862,237
	2045	\$33,178,574	\$882,550	3%	2%	\$142,995,955	\$109,817,381	\$2,921,142	\$198,341,716	\$5,275,890	\$9,079,582	\$8,197,032		\$0	\$8,197,032
	2046	\$33,178,574	\$882,550	3%	2%	\$150,145,753	\$116,967,179	\$3,111,327	\$204,291,967	\$5,434,166	\$9,428,043	\$8,545,493		\$0	\$8,545,493
TIF Closing	2047	\$33,178,574	\$882,550	3%	2%	\$157,653,040	\$124,474,466	\$3,311,021	\$210,420,726	\$5,597,191	\$9,790,762	<u>\$8,908,212</u>		<u>\$0</u>	<u>\$8,908,212</u>
TOTAL												\$140,862,628	\$30,000,000	-\$46,333,244	\$94,529,384

[1] AV based on assessed value as reported by the Davidson County Assessor's Office.

[2] The full property tax rate within the Urban Services District is 3.155%, however, this analysis only considers the portion of property tax that is not needed to cover the City's existing debt service.

[3] Assuming \$300 MM in new development over a 10-year period. Assumption is based on knowledge of development pipeline.

[4] This scenario assumes TIF loans will be disbursed over a 10-year period, and in doing so inducing development that would not otherwise happen.

[5] Debt payment based on 6% interest rate and 15 year term.

[6] Any excess tax increment revenue would likely be used to back TIF Debt service up front, however, this revenue could also flow back to the City's General Fund.

EXHIBIT 2

Redevelopment District / Address	Class	Beginning Year	Beginning Year Appraised Value	Beginning Year Tax Rate	Beginning Year Prop Tax Rev	2018 Appraised Value	2018 Tax Rate	2018 Property Tax Revenue	Growth Years	Compounded Annual Value Growth	Compounded Annual Revenue Growth
Phillips Jackson (1993)											
404 Madison St	Industrial	1990	\$11,200	\$4.81	\$215	\$105,500	\$3.155	\$1,331	28	8.34%	6.72%
424 Monroe St ¹	Commercial	1991	\$125,000	\$4.81	\$2,405	\$1,345,400	\$3.155	\$16,979	27	9.20%	7.51%
1205 4th Ave N	Commercial	1990	\$30,700	\$4.81	\$591	\$393,300	\$3.155	\$4,963	28	9.54%	7.90%
616 2nd Ave N	Commercial	1993	\$335,600	\$4.50	\$6,041	\$1,420,800	\$3.155	\$17,930	25	5.94%	4.45%
Capitol Mall (1978)											
110 8th Ave S	Commercial	1993	\$222,900	\$4.50	\$4,012	\$5,739,500	\$3.155	\$72,432	25	13.88%	12.27%
144 5th Ave N	Commercial	1988	\$265,000	\$4.81	\$5,099	\$3,621,200	\$3.155	\$45,700	30	9.11%	7.58%
512 Church St	Commercial	1993	\$401,600	\$4.50	\$7,229	\$900,900	\$3.155	\$11,369	25	3.28%	1.83%
416 Broadway	Commercial	1993	\$100,300	\$4.50	\$1,805	\$2,400,000	\$3.155	\$30,288	25	13.54%	11.94%
East Bank (1996)											
626 Main St	Commercial	1993	\$105,100	\$4.50	\$1,892	\$1,128,900	\$3.155	\$14,247	25	9.96%	8.41%
701 Main St	Commercial	1993	\$74,400	\$4.50	\$1,339	\$498,600	\$3.155	\$6,292	25	7.91%	6.38%
936 Woodland St	Commercial	1984	\$108,500	\$3.17	\$1,376	\$587,000	\$3.155	\$7,408	34	5.09%	5.08%
Five Points (1991)											
1105 Fatherland	Commercial	1984	\$278,100	\$3.17	\$3,526	\$1,586,300	\$3.155	\$20,019	34	5.25%	5.24%
1020 Woodland St	Commercial	1993	\$15,400	\$4.50	\$277	\$221,800	\$3.155	\$2,799	25	11.26%	9.69%
1112 Woodland St	Commercial	1984	\$25,400	\$3.17	\$322	\$493,500	\$3.155	\$6,228	34	9.12%	9.10%
1016 Woodland St	Commercial	1993	\$29,900	\$4.50	\$538	\$656,300	\$3.155	\$8,283	25	13.15%	11.55%
Rutledge Hill (1980)											
45 Hermitage Ave	Commercial	1993	\$112,400	\$4.50	\$2,023	\$1,097,300	\$3.155	\$13,848	25	9.54%	8.00%
9 Hermitage Ave	Commercial	1984	\$32,200	\$3.17	\$408	\$3,340,700	\$3.155	\$42,160	34	14.63%	14.61%
131 3rd Ave S	Commercial	1990	\$37,800	\$4.81	\$727	\$1,637,800	\$3.155	\$20,669	28	14.41%	12.70%
37b Rutledge St	Commercial	1988	\$288,600	\$4.81	\$5,553	\$2,812,700	\$3.155	\$35,496	30	7.88%	6.38%
Arts Center (1998)											
600 9th Ave S	Commercial	1984	\$200,000	\$3.17	\$2,536	\$4,155,800	\$3.155	\$52,446	34	9.33%	9.32%
209 10th Ave S	Commercial	1993	\$1,258,500	\$4.50	\$22,653	\$61,198,200	\$3.155	\$772,321	25	16.81%	15.16%
625 8th Ave S	Commercial	1984	\$139,900	\$3.17	\$1,774	\$2,285,100	\$3.155	\$28,838	34	8.56%	8.55%
521 8th Ave S	Commercial	1992	\$112,000	\$4.81	\$2,155	\$3,664,600	\$3.155	\$46,247	26	14.36%	12.52%

[1] This property sold for \$125,000 in 1990, using that figure as a proxy for Appraised Value for that year.

Avg Years28

Avg value grow9.59%

Avg rev grow8.82%

NOTE: Rec'd from MDHA in Aug 2018; CM Mendes changed format of percentages, did not change any data.

EXHIBIT 3

Redevelopment District / Address	Class	Beginning Year	Beginning Year Appraised Value	Beginning Year Tax Rate	Beginning Year Prop Tax Rev	2018 Appraised Value	2019 Tax Rate	2019 Property Tax Revenue	Growth Years	Compounded Annual Value Growth	Compounded Annual Revenue Growth
Phillips Jackson (1993)											
404 Madison St	Industrial	1990	\$11,200	\$4.81	\$215	\$105,500	\$3.155	\$1,331	29	8.04%	6.48%
424 Monroe St ¹	Commercial	1991	\$125,000	\$4.81	\$2,405	\$1,345,400	\$3.155	\$16,979	28	8.86%	7.23%
1205 4th Ave N	Commercial	1990	\$30,700	\$4.81	\$591	\$393,300	\$3.155	\$4,963	29	9.19%	7.62%
616 2nd Ave N	Commercial	1993	\$335,600	\$4.50	\$6,041	\$1,420,800	\$3.155	\$17,930	26	5.71%	4.27%
Capitol Mall (1978)											
110 8th Ave S	Commercial	1993	\$222,900	\$4.50	\$4,012	\$5,739,500	\$3.155	\$72,432	26	13.31%	11.77%
144 5th Ave N	Commercial	1988	\$265,000	\$4.81	\$5,099	\$3,621,200	\$3.155	\$45,700	31	8.80%	7.33%
512 Church St	Commercial	1993	\$401,600	\$4.50	\$7,229	\$900,900	\$3.155	\$11,369	26	3.16%	1.76%
416 Broadway	Commercial	1993	\$100,300	\$4.50	\$1,805	\$2,400,000	\$3.155	\$30,288	26	12.99%	11.46%
East Bank (1996)											
626 Main St	Commercial	1993	\$105,100	\$4.50	\$1,892	\$1,128,900	\$3.155	\$14,247	26	9.56%	8.07%
701 Main St	Commercial	1993	\$74,400	\$4.50	\$1,339	\$498,600	\$3.155	\$6,292	26	7.59%	6.13%
936 Woodland St	Commercial	1984	\$108,500	\$3.17	\$1,376	\$587,000	\$3.155	\$7,408	35	4.94%	4.93%
Five Points (1991)											
1105 Fatherland	Commercial	1984	\$278,100	\$3.17	\$3,526	\$1,586,300	\$3.155	\$20,019	35	5.10%	5.09%
1020 Woodland St	Commercial	1993	\$15,400	\$4.50	\$277	\$221,800	\$3.155	\$2,799	26	10.80%	9.30%
1112 Woodland St	Commercial	1984	\$25,400	\$3.17	\$322	\$493,500	\$3.155	\$6,228	35	8.85%	8.83%
1016 Woodland St	Commercial	1993	\$29,900	\$4.50	\$538	\$656,300	\$3.155	\$8,283	26	12.61%	11.09%
Rutledge Hill (1980)											
45 Hermitage Ave	Commercial	1993	\$112,400	\$4.50	\$2,023	\$1,097,300	\$3.155	\$13,848	26	9.16%	7.68%
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37b Rutledge St	Commercial	1988	\$288,600	\$4.81	\$5,553	\$2,812,700	\$3.155	\$35,496	31	7.62%	6.17%
Arts Center (1998)											
600 9th Ave S	Commercial	1984	\$200,000	\$3.17	\$2,536	\$4,155,800	\$3.155	\$52,446	35	9.06%	9.04%
209 10th Ave S	Commercial	1993	\$1,258,500	\$4.50	\$22,653	\$61,198,200	\$3.155	\$772,321	26	16.11%	14.54%
625 8th Ave S	Commercial	1984	\$139,900	\$3.17	\$1,774	\$2,285,100	\$3.155	\$28,838	35	8.31%	8.29%
521 8th Ave S	Commercial	1992	\$112,000	\$4.81	\$2,155	\$3,664,600	\$3.155	\$46,247	27	13.79%	12.03%

[1] This property sold for \$125,000 in 1990, using that figure as a proxy for Appraised Value for that year.

Avg Years29

Avg value grow9.23%

Avg rev grow8.50%

NOTE: Same data as EXHIBIT 2, except updated for 2019 (instead of 2018)

EXHIBIT 4

	Redevelopment District / Address	Class	Beginning Year	Beginning Year Appraised Value	Beginning Year Tax Rate	Beginning Year Prop Tax Rev	2019 Appraised Value	2019 Tax Rate	2018 Property Tax Revenue	Growth Years***	Compounded Annual Value Growth	Compounded Annual Revenue Growth
	Phillips Jackson (1993)											
	404 Madison St	Industrial	1990	\$11,200	\$4.81	\$215	\$105,500	\$3.155	\$1,331	29	8.04%	6.48%
	424 Monroe St ¹	Commercial	1991	\$125,000	\$4.81	\$2,405	\$1,345,400	\$3.155	\$16,979	28	8.86%	7.23%
	1205 4th Ave N	Commercial	1990	\$30,700	\$4.81	\$591	\$393,300	\$3.155	\$4,963	29	9.19%	7.62%
	616 2nd Ave N	Commercial	1993	\$335,600	\$4.50	\$6,041	\$1,420,800	\$3.155	\$17,930	26	5.71%	4.27%
	Capitol Mall (1978)											
NOTE 1	110 8th Ave S	Commercial	1984	\$283,900	\$3.17	\$3,600	\$5,739,500	\$3.155	\$72,432	35	8.97%	8.95%
	144 5th Ave N	Commercial	1988	\$265,000	\$4.81	\$5,099	\$3,621,200	\$3.155	\$45,700	31	8.80%	7.33%
	512 Church St	Commercial	1993	\$401,600	\$4.50	\$7,229	\$900,900	\$3.155	\$11,369	26	3.16%	1.76%
	416 Broadway	Commercial	1993	\$100,300	\$4.50	\$1,805	\$2,400,000	\$3.155	\$30,288	26	12.99%	11.46%
	East Bank (1996)											
NOTE 2	626 Main St	Commercial	1984	\$113,300	\$3.17	\$1,437	\$1,128,900	\$3.155	\$14,247	35	6.79%	6.77%
NOTE 3	616 Main St	Commercial	1989	\$45,900	\$4.81	\$883	\$240,000	\$3.155	\$3,029	30	5.67%	4.19%
	701 Main St	Commercial	1993	\$74,400	\$4.50	\$1,339	\$498,600	\$3.155	\$6,292	26	7.59%	6.13%
	936 Woodland St	Commercial	1984	\$108,500	\$3.17	\$1,376	\$587,000	\$3.155	\$7,408	35	4.94%	4.93%
	Five Points (1991)											
NOTE 4	1105 Fatherland	Commercial	1984	\$278,100	\$3.17	\$3,526	\$1,586,300	\$3.155	\$20,019	35	5.10%	5.09%
	1020 Woodland St	Commercial	1984	\$15,400	\$3.17	\$195	\$221,800	\$3.155	\$2,799	35	7.92%	7.90%
	1112 Woodland St	Commercial	1984	\$25,400	\$3.17	\$322	\$493,500	\$3.155	\$6,228	35	8.85%	8.83%
NOTE 5	1016 Woodland St	Commercial	1984	\$31,800	\$3.17	\$403	\$656,300	\$3.155	\$8,283	35	9.03%	9.02%
	Rutledge Hill (1980)											
	45 Hermitage Ave	Commercial	1993	\$112,400	\$4.50	\$2,023	\$1,097,300	\$3.155	\$13,848	26	9.16%	7.68%
	9 Hermitage Ave	Commercial	1984	\$32,200	\$3.17	\$408	\$3,340,700	\$3.155	\$42,160	35	14.18%	14.17%
	131 3rd Ave S	Commercial	1990	\$37,800	\$4.81	\$727	\$1,637,800	\$3.155	\$20,669	29	13.88%	12.23%
	37b Rutledge St	Commercial	1988	\$288,600	\$4.81	\$5,553	\$2,812,700	\$3.155	\$35,496	31	7.62%	6.17%
	Arts Center (1998)											
NOTE 6	600 9th Ave S	Commercial	1984	\$200,000	\$3.17	\$2,536	\$4,155,800	\$3.155	\$52,446	35	9.06%	9.04%
	209 10th Ave S	Commercial	1984	\$1,393,600	\$3.17	\$17,671	\$61,198,200	\$3.155	\$772,321	35	11.41%	11.40%
NOTE 7	501 8th Ave S	Commercial	1984	\$67,100	\$3.17	\$851	\$764,600	\$3.155	\$9,649	35	7.20%	7.18%
NOTE 8	625 8th Ave S	Commercial	1984	\$139,900	\$3.17	\$1,774	\$2,285,100	\$3.155	\$28,838	35	8.31%	8.29%
	521 8th Ave S	Commercial	1984	\$114,700	\$3.17	\$1,454	\$3,664,600	\$3.155	\$46,247	35	10.40%	10.39%

[1] This property sold for \$125,000 in 1990, using that figure as a proxy for Appraised Value for that year.

*** Updated to passage of another year (2018 to 2019)
Note 1: Used 1984 appraised value instead of 1993 for 110 8th Ave S
Note 2: Used 1984 appraised value instead of 1993 for 626 Main St
Note 3: Add 616 Main St
Note 4: Used 1984 appraised value instead of 1993 for 1020 Woodland St
Note 5: Used 1984 appraised value instead of 1993 for 1016 Woodland St
Note 6: Used 1984 appraised value instead of 1993 for 209 10th Ave S
Note 7: Add 501 8th Avenue S
Note 8: Used 1984 appraised value instead of 1992 for 521 8th Ave S

Avg Years 32
Avg value grow 8.19%
Avg rev grow 7.78%

EXHIBIT 5

209 10th Avenue South -- Cummins Station

	Year	Assessed Value
Starting year	1984	\$ 1,393,600.00
Ending year	1998	\$ 16,369,400.00
Number of years	14	19.24%

	Year	Assessed Value
Starting year	1998	\$ 16,369,400.00
Ending year	2019	\$ 61,198,200.00
Number of years	21	6.48%

Cummin Station	1984-1998	19.24%
	1998-2019	6.48%

521 8th Avenue South

	Year	Assessed Value
Starting year	1992	\$ 112,000.00
Ending year	1997	\$ 336,000.00
Number of years	5	24.57%

	Year	Assessed Value
Starting year	1997	\$ 336,000.00
Ending year	2019	\$ 2,664,600.00
Number of years	22	9.87%

521 8th Avenue S	1992-1997	24.57%
	1997-2019	9.87%