

TIF STUDY GROUP IDEAS/QUESTIONS TO CONSIDER

as of March 8, 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?
 - i. Is "but-for" the right test? Or should the city be focused on public benefits that can be provided along with new private development?
- d. Is providing public infrastructure the express goal (or an express goal) of TIF in Nashville?
 - i. If so, who is deciding? And how much is being spent this way?
- e. Is affordable housing the express goal (or an express goal) of TIF in Nashville?
- f. Who will decide goals? Public involvement? Mayor? Council? MDHA? Planning? IDB?

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?
 - i. **NOTABLE TOPIC AT MARCH 6 PUBLIC HEARING**
 - ii. Ideas from study group

1. More clear published info about TIF
2. TIF 101 workshops
3. Explainer like the Metro Human Relations piece on affordable housing
- 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
 - i. City/MDHA should reassess goals periodically, including a look at where dollars were invested, and how much. Also, include a look at successes and weaknesses of a district, and possible next steps or new goals.
 - ii. Who does assessment? Planning?
 - 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?

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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?
 - e. Ideas from study group:
 - i. need to make "cookie cutter" to reduce costs
 - ii. need to work to balance to see if there is a program where both developer and bank making loan shares risk? Should Metro share some risk also?
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?
 - 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.

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- i. LARGE INTEREST AT PUBLIC HEARING ABOUT SCHOOLS FUNDING
 - ii. Set for 3rd and final reading on July 2, 2019
 - iii. 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](#)
12. Some select new ideas from the public hearing
- a. Does use of district wide increment "end run" around capital spending plan?
 - b. Continue TIF freeze while tax rate is as low as it is?
 - c. Have "Do Better" bill apply to TIF deals?
 - d. Is 20% affordable goal appropriate for transit-oriented development district?
 - e. NACC concerned about diminishing the usefulness of TIF as a tool
 - f. NAIOP -- keep TIF as a tool and transparency; don't reduce tool, especially for smaller projects.
 - g. Increase transparency; explore IDB TIF
 - h. Require longer affordability period for units built with TIF?
 - i. Questions about how to measure success?
 - j. Is it fair to be used only on big projects?
13. Possible report structure?
- a. What is TIF
 - b. What is current status of TIF in Nashville?
 - c. Where are TIF projects located?

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- d. Recommendations
 - i. short term
 - ii. long term (along with recommendation for agencies to address each suggestion)
- e. Frequently Asked Questions section

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