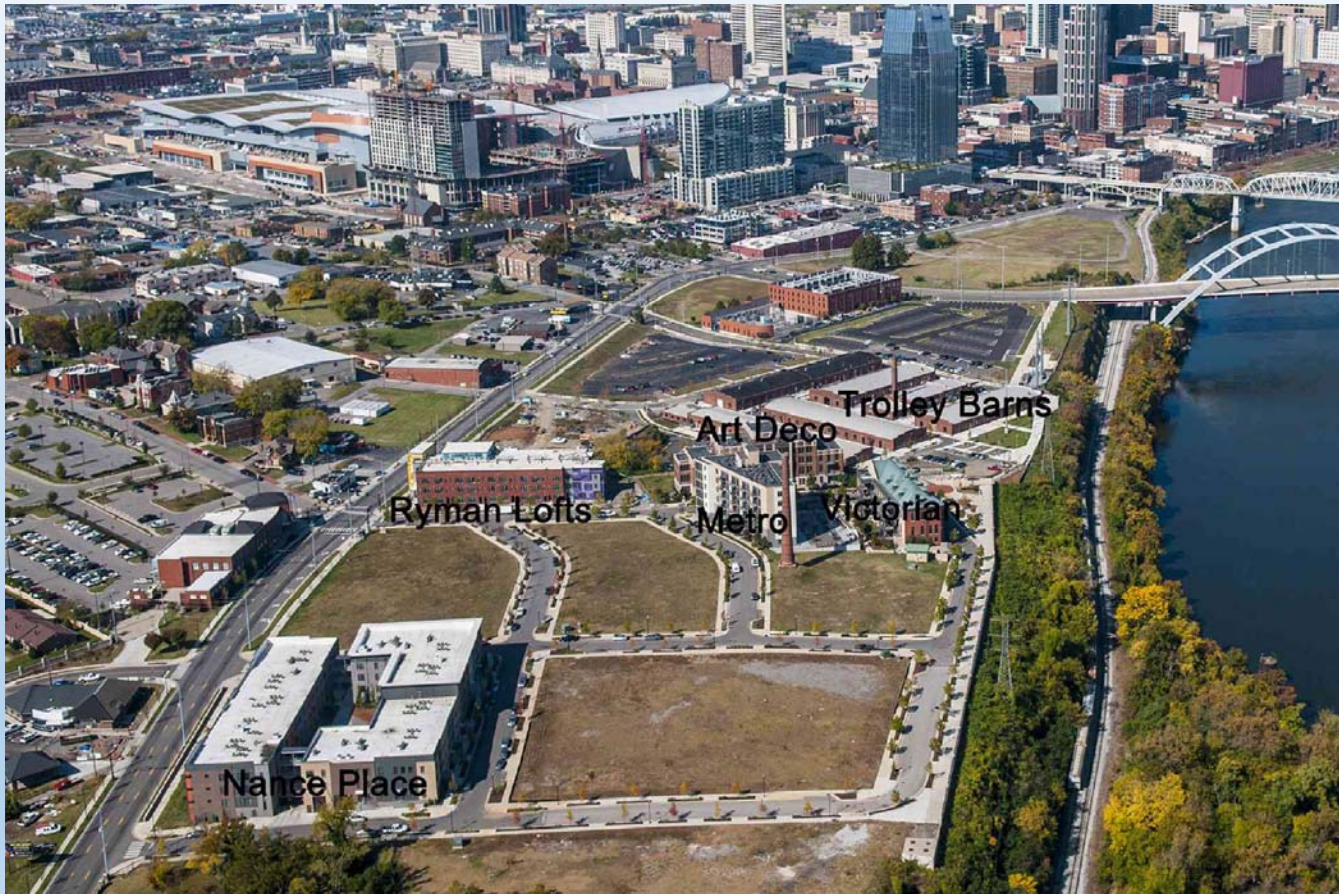


Fixes for Rutledge Hill Redevelopment Plan



Summary of
[Ordinance No. BL2016-123](#)

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Image from <http://www.nashville-mdha.org/rolling-mill-hill/>

Four Quick Fixes...

1. Clarify Metro's intent to reinvest land sale profits in the district.
2. Fix a typo in 2014 amendment.
3. Clarify that tax increment financing can be used only in the plan area.
4. Add reasonable annual reporting about tax increment financing.

1. Clarify Metro's intent to reinvest land sale profits in the district.

- Under State law, MDHA can only sell land in a redevelopment district “in accordance with the redevelopment plan.”
- The original 1980 redevelopment plan required proceeds from selling land to be reinvested in the redevelopment district, or returned to Metro after the redevelopment plan was complete.
- In a 1986 amendment to the plan, this requirement was removed and not replaced with anything.
- The current redevelopment plan is silent about what should be done with land sale proceeds.
- MDHA doesn't have authority or direction under state law or the redevelopment plan to do anything with land sale proceeds.

Metro should amend the Rutledge Hill Redevelopment Plan to clarify Metro's original intent to re-invest land sale proceeds in the district, or return the funds to Metro.

Fixes for Rutledge Hill Redevelopment Plan

2. Fix a typo in 2014 amendment.

- Since the 1986 amendment to the plan, the Tax Increment section has been Section H of the redevelopment plan.
- In the 2014 amendment, this section was misidentified as Section G.

Metro should amend the Rutledge Hill Redevelopment Plan to fix the incorrect identification of the Tax Increment section in the 2014 plan amendment.

3. Clarify that tax increment financing can be used only in the plan area.

- I thought there was another mistake in the 2014 amendment to the plan.
- The new Tax Increment language in the 2014 amendment allows MDHA to use the \$60 million of allowed tax increment financing debt in any redevelopment district in Metro.
- The new 2014 language says in part: “Activities or improvements eligible for tax increment financing shall include...other structures or public improvements necessary for carrying out the Rutledge Hill Redevelopment Plan, or other adopted and approved redevelopment plans.”
- Since filing the ordinance, I have learned that this change was intentional, and was meant to allow tax increment funds from Rutledge Hill to be used outside the district.

Metro should amend the Rutledge Hill Redevelopment Plan to clarify that the debt allowed in the plan may only be used for projects in the plan area.

4. Add reasonable annual reporting about tax increment financing.

- Under State law and the redevelopment plan, Metro is supposed to keep all tax increment funds once the debt related to tax increment financing is paid, or MDHA has reserved enough to pay that debt.
- Metro and the public have no readily available source that tells us the details of the tax increment financing obligations that are authorized by the Rutledge Hill Redevelopment Plan.
- It would be good for the public to be able to have more information about these obligations.

Metro should amend the Rutledge Hill Redevelopment Plan to add reasonable reporting about tax increment financing.