RESOLUTION NO. RS2026-

A Resolution authorizing the Metropolitan Development and Housing Agency to negotiate and enter into a PILOT Agreement and accept payments in lieu of ad valorem taxes with respect to a multi-family housing project located at 721 Madison Square known as Madison Station.

WHEREAS, Tennessee Code Annotated 13-20-104 ("the Act") authorizes a Metropolitan Government for which a housing authority is created to delegate to such housing authority the authority to negotiate and accept payments in lieu of ad valorem taxes ("In Lieu of Tax Payments") from the housing authority's lessees operating low-income housing tax credit property ("LIHTC Property") upon a finding that such payments are deemed to be in furtherance of the housing authority's public purposes; and

WHEREAS, the Metropolitan Development and Housing Agency ("MDHA") was created pursuant to state law and is the housing authority for the Metropolitan Government; and

WHEREAS, by Ordinance No. BL2015-1281 as amended by Ordinance Nos. BL2016-334 and BL2016-435 (the "LIHTC Ordinance"), the Metropolitan Council (i) authorized MDHA to negotiate and accept In Lieu of Tax Payments from qualified lessees of LIHTC Property owned by MDHA and (ii) approved MDHA's program for determining qualifications and eligibility for such In Lieu of Tax Payments, a copy of which was attached to the LIHTC Ordinance (the "PILOT Program"); and

WHEREAS, the Metropolitan Council approved an annual tax abatement not to exceed $5,000,000; and

WHEREAS, a balance in the amount of annual funding available for LIHTC's is currently $5,000,000.

WHEREAS, Madison Station Phase 1, LP ("Owner") plans to acquire property located at 721 Madison Square (the "Project Site"); and

WHEREAS, Owner has proposed that an apartment project consisting of approximately 211 units restricted to individuals and families earning 60% or less of the Area Median Income (AMI) utilizing income averaging, known as Madison Station, be constructed on the Project Site by Owner and operated as a LIHTC Property (the "Project"); and

WHEREAS, the Board of Commissioners of MDHA has approved MDHA's taking title to the Project Site for the purpose of facilitating an in lieu of tax agreement with the Owner, a copy of which is attached hereto as Exhibit A (the "PILOT Agreement") and authorized the President and CEO of MDHA to take all actions on behalf of MDHA to (i) take title to the property, (ii) lease the Project Site and the Project to Owner, (iii) enter into the PILOT Agreement, and (iv) submit the PILOT Agreement to the Metropolitan Council for approval as required by the Act and the PILOT Ordinance; and

WHEREAS, the PILOT Agreement has been submitted to the Metropolitan Planning Commission which has recommended approval and provided a list of other LIHTC properties in the census tract; and

WHEREAS, MDHA has certified that the Project is consistent with MDHA's Consolidated Plan for Nashville-Davidson County and that there are no other PILOT agreements in effect in the same census tract of the Project Site; and

WHEREAS, those portions of the Project and the Project Site owned by MDHA will be exempt from ad valorem taxation pursuant to Tennessee Code Annotated 67-5-206; and

WHEREAS, the Owner has agreed to make annual PILOT payments payable to the Metropolitan Government in accordance with the attached PILOT Agreement; and

WHEREAS, the value of the project when completed is estimated to be $49,712,357 based on an income evaluation of the Project and its corresponding tax credits;

WHEREAS, for the purpose of the $5,000,000 annual cap set forth in the PILOT Ordinance, the difference between the annual in lieu of tax payment payable under the PILOT Agreement and the projected real property ad valorem taxes that would otherwise be payable with respect to the Project in the first tax year after completion of the Project is $527,457; and

WHEREAS, MDHA's entering into the PILOT Agreement to facilitate the Project is in the interest and welfare of the citizens of the Metropolitan Government and will further MDHA's public purposes by providing financial incentives for construction and rehabilitation of affordable housing units through the federally sponsored low income housing tax credit program resulting in a positive impact on the supply of affordable housing in Davidson County; and

WHEREAS, MDHA has submitted the PILOT Agreement to the Metropolitan Council for approval as required by the Act and the PILOT Ordinance.

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

Section 1: That the Council of the Metropolitan Government finds that MDHA's entering into the PILOT Agreement and acceptance of payments in lieu of ad valorem taxes with respect to the Project Site and the Project is in furtherance of the MDHA's public purpose of providing for and facilitating an adequate supply of affordable housing and in furtherance of the other public purposes described above.

Section 2: That the PILOT Agreement and the Project comply with the PILOT Ordinance and the PILOT Program.

Section 3: The Council of the Metropolitan Government finds that for the purpose of the $5,000,000 annual cap set forth in the PILOT Ordinance, the difference between the annual in lieu of tax payment payable under the attached PILOT Agreement and the projected real property ad valorem taxes that would otherwise be payable with respect to the Project in the first tax year after completion of the Project is $527,457.

Section 4: That the Council of the Metropolitan Government hereby approves the terms of MDHA's PILOT Agreement with the Owner in the form attached as Exhibit A.

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

APPROVED by Metropolitan Development and Housing Agency:

Signed by:
Troy D. White
1CA327FEFF2844E...
President and CEO

APPROVED AS TO AVAILABILITY OF FUNDS:

Signed by:
Jennieen Reed/mjw
79E58C7F7EC74A2...
Finance Director

APPROVED AS TO LEGALITY OF FORM AND COMPOSITION

Signed by:
Male Bedrock
C38D633FCFB549F...
MDHA Attorney

INTRODUCED BY:

_____

_____

_____

Member(s) of Council

PILOT AGREEMENT

THIS PILOT AGREEMENT (the "**PILOT Agreement**") is made and entered into as of the 11th day of February, 2026, by and between the METROPOLITAN DEVELOPMENT AND HOUSING AGENCY ("**MDHA**") and Madison Station Phase I, LP (the "**Owner**").

WITNESSETH:

WHEREAS, MDHA is a public body and a body corporate and politic organized under the Tennessee Housing Authorities Law, Tenn. Code Ann. §13-20-101, et seq., (the "**Act**");

WHEREAS, §13-20-104(f) of the Act provides that a metropolitan government may delegate to a housing authority the authority to negotiate and accept in lieu of ad valorem taxes ("**In Lieu of Tax Payments**") from a party that operates a low income housing tax credit ("LIHTC") property, as such term is defined in the Act (a "**LIHTC Property**") on property leased by such party from a housing authority;

WHEREAS, MDHA is the housing authority, as defined in the Act, for the Metropolitan Government of Nashville and Davidson County, Tennessee (the "**Metropolitan Government**");

WHEREAS, by Ordinance No. BL2015-1281 as amended by Ordinance No. BL2016-334 (collectively, the "**PILOT Ordinance**"), the Metropolitan Government (i) authorized MDHA to negotiate and accept In Lieu of Tax Payments from lessees of LIHTC Property owned by MDHA, and (ii) approved MDHA's program for determining qualifications and eligibility for such In Lieu of Tax Payments (the "**PILOT Program**");

WHEREAS, Owner has acquired land located at 721 Madison Square, and more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "**Project Site**");

WHEREAS, Owner intends to construct a 211 unit apartment project, known as Madison Station, on the Project Site and operate it as a LIHTC Property (the "**Project**");

WHEREAS, MDHA is authorized by law and has deemed it necessary and desirable to acquire the Project Site for the purpose of facilitating the Project in accordance with the PILOT Program, the PILOT Ordinance and the Act;

WHEREAS, the Board of Commissioners of MDHA approved MDHA's purchase of the Project Site and authorized the Executive Director of MDHA to take all actions on behalf of MDHA to undertake the following:

Valorem Taxes, as defined below, through and including the calendar year in which the rehabilitation of the Project is completed.

(b) Commencing on January 1st of the calendar year following the year in which the Project is placed into service ("**Tax Year 1**") and each tax year subsequent to the Tax Year 1 (Tax Year 1 and each subsequent tax year being referred to herein as a "**Tax Year**") through the tenth (10th) Tax Year, in Lieu of Tax Payments shall be as follows:

1	$32,106
2	$33,069
3	$34,061
4	$35,083
5	$36,135
6	$37,219
7	$38,336
8	$39,486
9	$40,670
10	$41,890

Subject to Section 1(e) below, the In Lieu of Tax Payments shall be fixed and shall not fluctuate with the amount of the assessment for the Project Site or the Project or the tax rate in effect for any Tax Year. The amount of the In Lieu of Tax Payments is approximately equal to $152 per unit within the Project, with a three percent (3%) annual increase. In Lieu of Tax Payments for each Tax Year shall be paid when due but in any event not later than the date on which the Applicable Ad Valorem Taxes would become delinquent.

(c) After the tenth Tax Year, this Agreement shall expire and Owner shall pay 100% of the Applicable Ad Valorem Taxes.

(d) The term **"Applicable Ad Valorem Taxes"** shall mean any real property ad valorem taxes that, but for ownership of the Project Site and the Project by MDHA, would have been due and payable to the Metropolitan Government pursuant to Tenn. Code Ann. § 67-5-102 with respect to the Project Site and the Project.

(e) Notwithstanding anything contained herein to the contrary, if THDA or the IRS determines that the Project is not in compliance with LIHTC requirements and is therefore not operated as a LIHTC Property at any time

during a Tax Year, and Owner has failed to cure such default within any specified cure period, Owner shall pay 100% of the Applicable Ad Valorem Taxes with respect to such Tax Year.

(f) Notwithstanding anything contained herein to the contrary, Owner shall pay 100% of the Applicable Ad Valorem Taxes for the periods before Tax Year 1 and after Tax Year 10, if the Project Lease is in effect during such periods.

2. Commencing in Tax Year 1 and in each Tax Year subsequent through the (10th) Tax Year, Owner shall provide to MDHA an annual report not later than September 1st of each Tax Year containing the following information:

(a) The value of the Project, as estimated by the Owner;

(b) The date and remaining term of the Project Lease;

(c) The amount of In Lieu of Tax Payments payable in such Tax Year;

(d) The date in which the Project is scheduled to return to the regular tax rolls and be eligible to pay 100% of the Applicable Ad Valorem Taxes following the tenth (10th) Tax Year;

(e) A calculation of the Applicable Ad Valorem Taxes for such Tax Year that, but for ownership of the Project Site and the Project by MDHA, would have been due and payable to the Metropolitan Government pursuant to Tenn. Code Ann. § 67-5-102 with respect to the Project Site and the Project;

(f) A copy of the Owner's most recent Annual Certification as submitted to THDA, certifying compliance with LIHTC requirements; and

(g) A copy of any monitoring or compliance reports provided by THDA to the Owner during such Tax Year.

3. Commencing with Tax Year 1 and each Tax Year thereafter, Owner shall pay to MDHA a monitoring and reporting fee to be set by MDHA but not to exceed five percent (5%) of the amount In Lieu of Tax Payment due with respect to such Tax Year (the "Annual MDHA Fee"). The Annual MDHA Fee shall be paid not later than fifteenth (15) day of such Tax Year. Unpaid amounts shall bear interest at the rate of four percent (4%) in excess of the average prime rate of interest published from time to time by the Federal Reserve or similar commonly accepted reporting organization if the Federal Reserve ceased to publish such information. Owner's failure to pay the Annual MDHA Fee within thirty (30) days after written notice from MDHA shall constitute a default under this PILOT Agreement in which event Owner shall pay 100% of the Applicable Tax Rate for such Tax Year instead of the In Lieu of

Tax Payment set forth above.

4. Owner's payment of the In Lieu of Tax Payments shall satisfy the requirement in Tenn. Code Ann. § 67-5-206(a) that MDHA pay the Metropolitan Government for services, improvements or facilities furnished by the Metropolitan Government for the benefit of the Project.

5. This PILOT Agreement may not be assigned to any party other than the assignee of the lessee's interest under the PILOT Lease pursuant to an assignment that is made in accordance with the PILOT Lease, including MDHA consent requirements, if any, specified therein. Each permitted assignee shall assume Owner's obligations under this PILOT Agreement concurrent with the assignment of the PILOT Lease.

6. This PILOT Agreement shall be construed in accordance with the laws of the State of Tennessee, and if any one or more of the provisions of this PILOT Agreement shall be held invalid, illegal or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, legality or unenforceability shall not affect any other provision hereof, but this PILOT Agreement shall be construed the same as if such invalid, illegal or unenforceable provision had never been contained herein. This PILOT Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same instrument.

7. This PILOT Agreement is subject to and conditioned upon (i) approval of this PILOT Agreement by the Metropolitan Council as required by the PILOT Ordinance, (ii) Owner's satisfaction of all conditions and requirements imposed by MDHA in connection this PILOT Agreement or the transaction contemplated herein, (iii) MDHA taking title to the Property and entering into a mutually acceptable Project Lease, and (iv) THDA's approval of the Project and allocation of low income housing tax credits, to the extent such approval or allocation has not been received as of the date of this PILOT Agreement.

8. MDHA shall remit all In Lieu of Tax Payments received in connection with the Project and/or the Project Lease to the Metropolitan Government within fifteen (15) days of receipt.

IN WITNESS WHEREOF, the parties hereto have executed this PILOT Agreement as of the day and date first above written.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

Signed by:
By: Troy D. White
1CA327FEFF2844E...

Title: President and CEO

Madison Station Phase 1, LP,

a Tennessee limited partnership

By: LDG Madison Station Phase 1 SLP, LLC,

a Tennessee limited liability company,

Its Special Limited Partner

Chris Dischinger, manager

FILED WITH THE METROPOLITAN CLERK

Austin Kyle

Date

EXHIBIT A

Being a tract of land lying in the 8th District of Davidson County, Madison, Tennessee, and being a portion of 721 Madison Square LLC as recorded in Instrument Number 202104050043587, Register's Office of Davidson County, Tennessee (RODC). Said tract being bounded on the north by Senior Citizens, Inc. as recorded in Book 10037, Page 951, RODC, bounded on the north, east and south by the remainder of said 721 Madison Square LLC, and bounded on the west by the eastern right of way of CSX Railroad. Said tract being more particularly described as follows:

POINT OF BEGINNING being the southeast corner of said Senior Citizens, Inc. and being ± 810 feet west of the centerline intersection of Madison Station Boulevard and Gallatin Pike; thence with the following severance lines: South 79°36'56" East 20.13 feet to a point; thence South 68°36'24" East 56.78 feet to a point; thence North 34°45'12" East 20.96 feet to a point; thence with a curve to the right having an arc length of 8.96 feet, a central angle of 35°23'34", a radius of 14.50 feet, and having a chord bearing and distance of North 52°26'59" East 8.82 feet to a point;

thence with a curve to the left having an arc length of 24.68 feet, a central angle of 18°43'55", a radius of 75.50 feet, and having a chord bearing and distance of North 60°46'49" East 24.57 feet to a point; thence with a curve to the right having an arc length of 16.43 feet, a central angle of 48°16'55", a radius of 19.50 feet, and having a chord bearing and distance of North 75°33'19" East 15.95 feet to a point; thence South 80°18'14" East 41.70 feet to a point; thence with a curve to the right having an arc length of 26.69 feet, a central angle of 05°28'20", a radius of 279.50 feet, and having a chord bearing and distance of South 77°34'04" East 26.68 feet to a point; thence South 74°49'54" East 64.21 feet to a point; thence South 15°10'06" West 16.27 feet to a point; thence South 24°00'36" West 165.00 feet to a point; thence South 57°21'59" West 125.38 feet to a point; thence North 45°42'17" West 43.13 feet to a point; thence with a curve to the left having an arc length of 33.71 feet, a central angle of 26°38'23", a radius of 72.50 feet, and having a chord bearing and distance of North 59°01'29" West 33.41 feet to a point; thence North 72°20'40" West 41.47 feet to a point; thence South 17°39'20" West 11.80 feet to a point;

thence with a curve to the right having an arc length of 79.01 feet, a central angle of 39°42'39", a radius of 114.00 feet, and having a chord bearing and distance of South 37°30'39" West 77.44 feet to a point; thence South 57°21'59" West 244.50 feet to a point; thence with a curve to the left having an arc length of 102.12 feet, a central angle of 33°32'38", a radius of 174.43 feet, and having a chord bearing and distance of South 40°35'40" West 100.67 feet to a point; thence with a curve to the left having an arc length of 95.93 feet, a central angle of 12°46'56", a radius of 430.00 feet, and having a chord bearing and distance of South 17°25'53" West 95.73 feet to a point; thence North 61°26'28" West 328.97 feet to a point lying on said eastern ROW of CSX Railroad; thence with said ROW of CSX Railroad North 22°08'53" East 506.24 feet to a point; thence leaving said ROW of CSX Railroad and with the common line of said Senior Citizens, Inc. South 82°09'28" East 471.71 feet to the point of beginning.

Tract contains 294,534 square feet or 6.76 acres. Bearings based on Tennessee State Plane Coordinate System. Described according to a survey prepared by L. Brandon Lambert, TRLS# 2828, dated April 7, 2023, with Chastain-Skillman, 215 Centerview Drive, Suite #113, Brentwood, TN 37027, Project No. 1027803.

Being part of the same property conveyed to 721 MADISON SQUARE LLC, A TEXAS LIMITED LIABILITY

COMPANY, by deed from MADISON SQUARE PARTNERS, L.P., A TENNESSEE LIMITED PARTNERSHIP, dated March 30, 2021, of record in Instrument No. 20210405-0043587, said Register s' Office.

Being a part of the same property conveyed to 721 MADISON SQUARE LLC, A TEXAS LIMITED LIABILITY COMPANY, by deed from MADISON SQUARE PARTNERS, L.P., A TENNESSEE LIMITED PARTNERSHIP, dated March 30, 2021, of record in Instrument No. 20210405-0043586, in the Register s' Office for Davidson County, Tennessee.

Certification of Consistency with the Consolidated Plan

U.S. Department of Housing and Urban Development

I certify that the proposed activities/projects in the application are consistent with the jurisdiction's current, approved Con solidated Plan.

(Type or clearly print the following information:)

Applicant Name: Madison Station Phase 1, LP

Project Name: Madison Station

Location of the Project: 721 Madison Square

Nashville, TN

Name of the Federal Program to which the applicant is applying: 4% LIHTC

Name of Certifying Jurisdiction: MDHA

Certifying Official of the Jurisdiction Name: Emel Alexander

Title: Deputy Chief Operating Officer

Signature: Emel Alexander

Date: February 11, 2026

Memo

To: MDHA

From: Metropolitan Nashville Planning Department

Date: February 11, 2026

Re: Planning Commission Recommendation for PILOT Agreement

This memo fulfills the Planning Commission obligations as outlined in the MDHA Housing Tax Credit PILOT Program General Program Description which was attached as Exhibit A to BL2025-XXX. The memo consists of two parts: the staff recommendation and a map.

PART I: RECOMMENDATION ON GENERAL PLAN CONSISTENCY

Project: **Madison Station (05104006500)**
211 multi-family units
Units targeting 60% to 80% of the Area Median Income (AMI)

Zoning:

Mixed Use General-Alternative (MUG-A) is intended for a moderately high intensity mixture of residential, retail, and office uses and is designed to create walkable neighborhoods through the use of appropriate building placement and bulk standards.

Policy:

MADISON COMMUNITY PLAN

T4 Urban Community Center (T4 CC) is intended to maintain, enhance and create urban community centers that contain commercial, mixed use, and institutional land uses, with residential land uses in mixed use buildings or serving as a transition to adjoining Community Character Policies. T4 Urban Community Centers serve urban communities generally within a 5-minute drive or a 5-to-10-minute walk. T4 CC areas are pedestrian friendly areas, generally located at intersections of prominent urban streets. Infrastructure and transportation networks may be enhanced to improve pedestrian, bicycle, and vehicular connectivity.

Conservation (CO) is intended to preserve environmentally sensitive land features through protection and remediation. CO policy applies in all Transect Categories except T1 Natural, T5 Center, and T6 Downtown. CO policy identifies land with sensitive environmental features including, but not limited to, steep slopes, floodway/floodplains, rare or special plant or animal habitats, wetlands, and unstable or problem soils. The guidance for preserving or enhancing these features varies with what Transect they are in and whether they have already been disturbed.

Project Details:

The site is a 32.4-acre parcel located on the west side of Gallatin Pike, approximately 150 feet south of the intersection of Gallatin Pike and Neelys Bend Road in Madison. The Madison Square shopping center is located on the site and contains a mix of retail, service, and other commercial businesses. The site is bordered on the west by a railroad line, which separates the property from a predominantly single-family residential neighborhood. The project is adjacent to the existing Fifty-Forward Madison location, the Madison public library, and a proposed future park. The existing land use pattern along this segment of Gallatin Pike is characterized by commercial and community or institutional uses located directly on the corridor with residential neighborhoods behind.

The project is part of a master plan intended to create a town center for the area. The master plan shows a series of streets, open spaces, and a walkable block network. It is expected to have opportunities for multi-modal access that will connect the larger area. The Choose How You Move Transit Plan (CHYM) has identified one of the future phases as one of the planned transit hubs. The completed project will have 1.7 million square feet of 4- to 7- story mixed-use residential, retail, and office space along with 3.5 acres of parkland and open space. This application is for Phase 1 of the project. Phase 1 consists of two 4-story buildings with 148 family units and 1 4-story building with 63 senior units (aged 61+). Buildings will front a planned street with on-street parking and off-street parking is located behind the buildings.

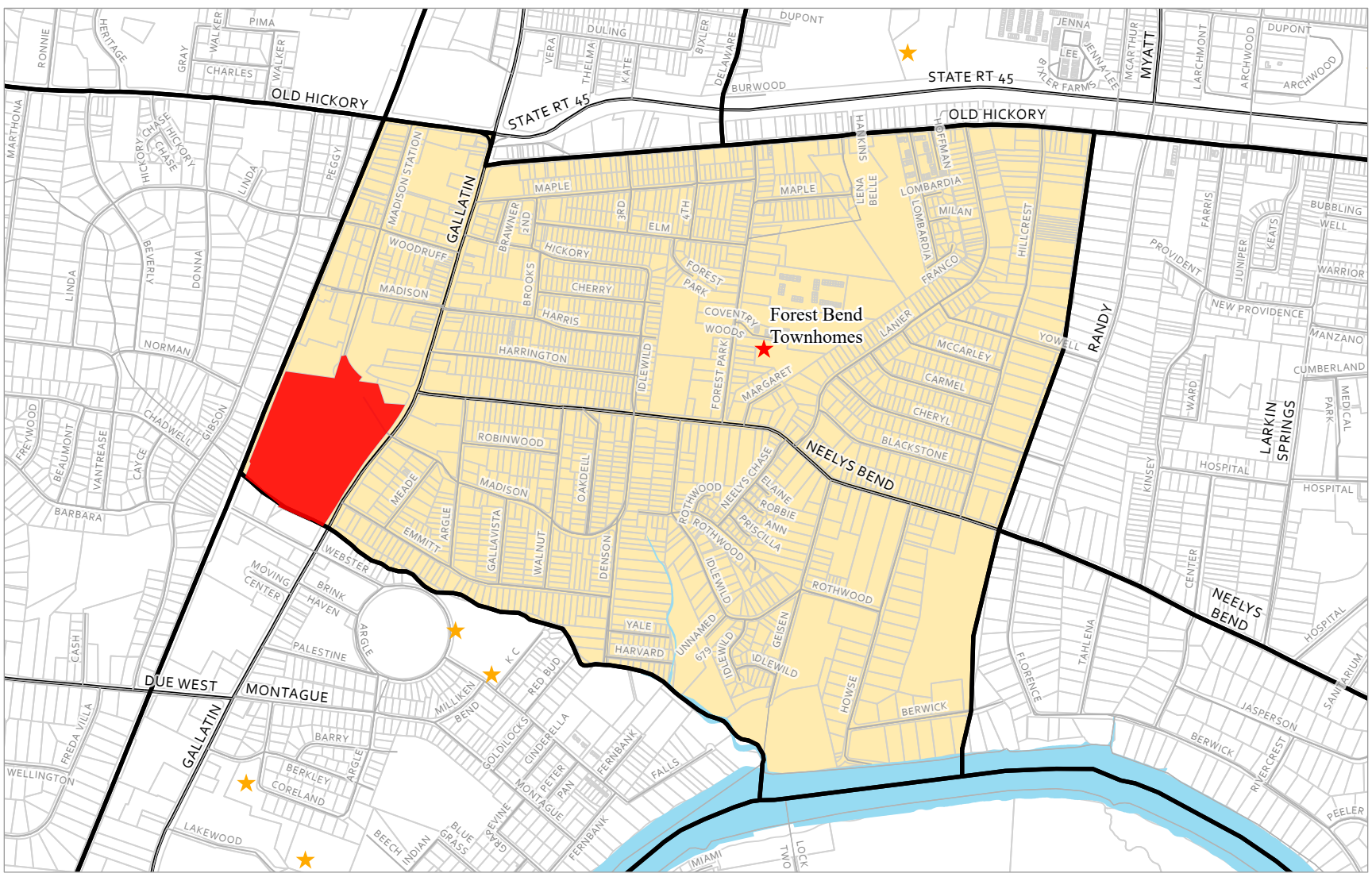
Planning Department Analysis:

Consistency with Urban Community Corridor
The site is within the T4 Urban Community Center (T4 CC) and Conservation (CO) policy areas. The T4 CC policy is intended to maintain or create urban community centers that contain commercial, mixed use, and institutional land uses, with residential land uses in mixed-use buildings. The proposed plan meets many of the policy's intended goals. The plan speaks to providing services to meet the daily needs of residents within a five-minute drive or a five- to ten- minute walk, the location near existing facilities such as the public library and the proposed non-residential uses meet this goal. The policy directs regularly spaced buildings built to the back edge of the sidewalk with minimal spacing between buildings. The master plan meets this intention. Policy directs off street parking behind or beside the building and encourages on-street parking. Phase 1 shows off street parking behind the buildings and has on-street parking lining the planned new right of way. Parking throughout the master plan meets the goals of the policy. T4 CC speaks to highly connected street networks, sidewalks, and existing or planned mass transit leading to surrounding neighborhoods and open space. The proposed master plan aligns with the policy's connectivity goals with the proposed CHYM hub, and planned streets and sidewalks.

The Conservation (CO) policy on the site is in place due to an existing stream that runs along the southern border of the property. The CO policy is not located within Phase 1 of the project. The master plan shows appropriate consideration of the area with no development in the area. Overall, the plan meets the varied goals of the T4 CC and CO policy areas, as well as goals of NashvilleNext to provide a mixture of housing choices near corridors and centers.

Planning Determination: The proposed development is consistent with the NashvilleNext adopted general plan and the Community Character Policies.

PART II: LIST OF FEDERALLY SUBSIDIZED MULTI-FAMILY PROPERTIES WITHIN THE CENSUS TRACT
See attached map.



★ Federal Affordable Housing Units in Tract

★ Other Federal Affordable Housing Units

721 Madison Square(Parcel 05104006500)

Tract 47037010701

Development Name	Total Units
Forest Bend Townhomes	47

Federally Subsidized Multi-Family Projects within Census Tract 47037010701

0 0.05 0.1 0.2 0.3 0.4 Miles

N

NASHVILLE PLANNING

Source :
U.S Census Bureau &
Nashville Planning
February 2026