

PILOT AGREEMENT

THIS PILOT AGREEMENT (the “**PILOT Agreement**”) is made and entered into as of the 21 day of July, 2022, by and between the METROPOLITAN DEVELOPMENT AND HOUSING AGENCY (“**MDHA**”) and 619 at Old Stone Bridge Crossings, 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 plans to acquire land located at 619 N Main Street, and more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the “**Project Site**”);

WHEREAS, Owner intends to construct a 311 unit apartment project, known as Clarksville Pike, 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:

- (A) acquire the Project Site;
- (B) enter into a lease with Owner pursuant to which Owner will (i) lease the Project Site and the Project from MDHA with MDHA having the right to cause Owner to purchase the Project Site and the Project from MDHA upon expiration of the tenth (10th) Tax Year, (ii) construct the Project on the Project Site, and (iii) by recorded agreement, commit to operate the Project as a LIHTC Property in accordance with the requirements of the Internal Revenue Code and the Tennessee Housing Development Agency (“THDA”) for a minimum period of fifteen (15) years after the Project is complete (the “**Project Lease**”);
- (C) enter into this PILOT Agreement;
- (D) submit this PILOT Agreement to the Metropolitan Planning Commission to obtain a recommendation of approval or disapproval, as envisioned by the PILOT Ordinance;
- (E) submit this PILOT Agreement to the Metropolitan Council of the Metropolitan Government (the “**Metropolitan Council**”) for approval as required by the PILOT Ordinance; and
- (F) take such other action and execute such other documents as the Executive Director deems necessary or desirable to facilitate construction of the Project and the transactions described above consistent with this PILOT Agreement, the Act, the Project Lease, the Metropolitan Ordinance and the PILOT Program (including MDHA’s application and policies and procedures related thereto).

WHEREAS, MDHA intends to acquire the Project Site from Owner and will concurrently enter into the Project Lease; and

WHEREAS, Owner has agreed to make In Lieu of Tax Payments with respect to the Project as described herein.

NOW, THEREFORE, for and in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties hereto, and as an inducement to Owner to construct the Project and operate the Project as LIHTC Property, MDHA and Owner agree as follows:

1. With respect to Project Site and the real property component of the Project, Owner shall make In Lieu of Tax payments to MDHA who will then remit the payment to the Metropolitan Government, as follows:

(a) The In Lieu of Tax Payments shall be equal to the Applicable Ad Valorem Taxes, as defined below, through and including the calendar year in which the construction 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	\$46,650
2	\$48,050
3	\$49,491
4	\$50,976
5	\$52,505
6	\$54,080
7	\$55,703
8	\$57,374
9	\$59,095
10	\$60,868

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 \$150 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

By 
Title Executive Director

619 at Old Stone Bridge Crossings, LP

By 
Title Manager

FILED WITH THE METROPOLITAN CLERK

Austin Kyle

Date

EXHIBIT A

Approximately 20.75 acres, being more particularly described as follows:

Land lying and being situated in the Tenth (10th) Civil District of Davidson County, Tennessee, and being more particularly described as follows, to-wit:

Beginning at a point in Lawrence White's northeast corner, the easterly margin of said railroad right-of-way of the L. & N. Railroad, thence with the margin of said railroad right-of-way, N 33 deg. W. 300 feet; N 38 deg. W 300 feet thence N 47 deg. W. 207 feet leaving said right-of-way; thence S 74 deg. W 420 feet with fence to a fence corner; thence S 9 deg. E 112 feet to a stake; thence S 74 deg. W 282.5 feet to a point in the center of Dickerson Pike; thence with the center of said Pike N 19 deg. 45' W 100 feet; thence S 87 deg. 15' W 218 feet to Reece's southwest corner; thence N 87 deg. 37' E 196 feet to O'Saile's northwest corner; thence N 87 deg. 30' E 196 feet to a point in the center of Dickerson Pike; thence with the center of said Pike, N 3 deg. 15' W 400 feet to a point in the center of said Pike to the southerly margin of the L & N Railroad right-of-way; thence with said right-of-way, N 57 deg. 30' W 450 feet; thence N 32 deg. 30' E 50 feet; thence, N 57 deg 30' W with the right-of-way 700 feet, leaving said right-of-way; thence, N 87 deg. 45' W 100 feet to R. G. McConnell's east line; thence with said McConnell's east line S 3 deg. 45' W 2087 feet to a point in Burton's north line; thence with Burton's and H. M. Courtney's north line S 88 deg. 45' E 1616 to a point in the center of Dickerson Pike; thence S 88 deg. 45' E 80 feet to the margin of an old highway; thence S 29 deg. 30' E 220 feet to the northerly margin of a 30 foot street; thence with the northerly margin of said street and Lawrence White's north line, N 73 deg. 30' E 290 feet to railroad right-of-way with fence, the point of beginning.

Being the same property conveyed to MARY HICKS PROCTOR TRUST, by deed from REBECCA JEAN BETHEA, HELEN RUTH JOHNSON, BESSIE LONG, CARRIE MINASSIN, JUDI TINNIN, MARTHA BERGER, SAMUEL TINNIN, ALLAN MARSHALL TINNON, GLORIA MOSES, DONNA BUCKINGHAM MITCHELL, PAMELA JAN BRINLEY, WAYNE TINNON, DAVID I. KOMISAR, GUARDIAN AD LITEM OF THE UNBORN CHILDREN OF ALLEN MARSHALL TINNIN and BANK OF GOODLETTSVILLE, of record in in Book 6265, page 875, dated April 5, 1984, said Register's Office. MARY HICKS PROCTOR, TRUSTEE OF THE MAY HICKS PROCTOR TRUST further conveyed said property to THE PROCTOR FAMILY PARTNERSHIP by Quitclaim Deed of record in Book 9780, page 379, dated August 31, 1995, said Register's Office.

INCLUDED IN THE ABOVE DESCRIPTION BUT EXCLUDED from the above is all that portion of said property situated on the westerly side of 31-W Highway or Dickerson Pike, which was conveyed to J. W. Dorris and wife, H. A. Swift and wife, by deed from J. A. Tinnin and wife, of record in Book 2651, Page 505, said Register's Office (48.17 acres, more or less).

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 Consolidated Plan.
(Type or clearly print the following information:)

Applicant Name: _____

Project Name: _____

Location of the Project: _____

Name of the Federal
Program to which the
applicant is applying: _____

Name of
Certifying Jurisdiction: _____

Certifying Official
of the Jurisdiction
Name: _____

Title: _____

Signature: _____

Date: _____



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
Planning Department
Metro Office Building
800 Second Avenue South
Nashville, Tennessee 37201
615.862.7150
615.862.7209

Memo

To: MDHA
From: Metropolitan Nashville Planning Department
Date: July 22, 2022
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 BL2016-435. The memo consists of two parts.

PART I: RECOMMENDATION ON GENERAL PLAN CONSISTENCY

Project: **Stone Bridge (Parcel 01812006900)**
Mixed-use development (311 multi-family units including 7 live work units and 7,500 square feet of commercial uses)
Units targeting 50% - 60% AMI

Zoning: Determined by Goodlettsville.

Policy:

District Employment Center (D EC) is intended to enhance and create concentrations of employment that are often in a campus-like setting. A mixture of office and commercial uses are present, but are not necessarily vertically mixed. Light industrial uses may also be present in appropriate locations with careful attention paid to building form, site design, and operational performance standards to ensure compatibility with other uses in and adjacent to the D EC area. Secondary and supportive uses such as convenience retail, restaurants, and services for the employees and medium- to high-density residential are also present.

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 or not they have already been disturbed.

Note: The site is located within Davidson County and is within the boundaries of the Nashville Next Community Plan. However, the site is not within the zoning jurisdiction of Davidson County or Metro Planning. The review of this application is intended to focus on the policy of the site.

Project Details:

The site is approximately 20 acres located on the east side of N Main Street in Goodlettsville. The site has frontage along N Main Street to the west, Tinnin Avenue at the southeast portion of the site, and is bounded by a rail line along the eastern property line.

The site plan submitted shows nine multi-family structures with a clubhouse and pool. Commercial and retail space is located in the two structures on the western side of the site plan, adjacent to Main Street. The unit mix includes 56 one-bedroom units, 143 two-bedroom units, and 121 three bedroom units for a total of 311 units. The site plan shows approximately five acres of conservation land along the eastern portion of the site.

Planning Department Analysis:

There are two policies on the site. The primary policy on the site is District Employment Center (D-EC). The intent of the D-EC policy is to maintain, create, and enhance districts where a mixture of uses to provide employment and complementary uses to support employment centers. Complementary uses are also present and are encouraged as secondary and supportive to the primary function of D-EC areas as places of intense economic activity featuring large numbers of jobs. The proposed uses on the site include multi-family units, commercial and retail, and live work units. The mix of uses proposed is consistent with the intent of the policy to provide the opportunities for employment in the commercial and retail space in addition to several live-work units. The multi-family uses are opportunities for people to live near by their place of employment and/or transit to employment elsewhere within the county.

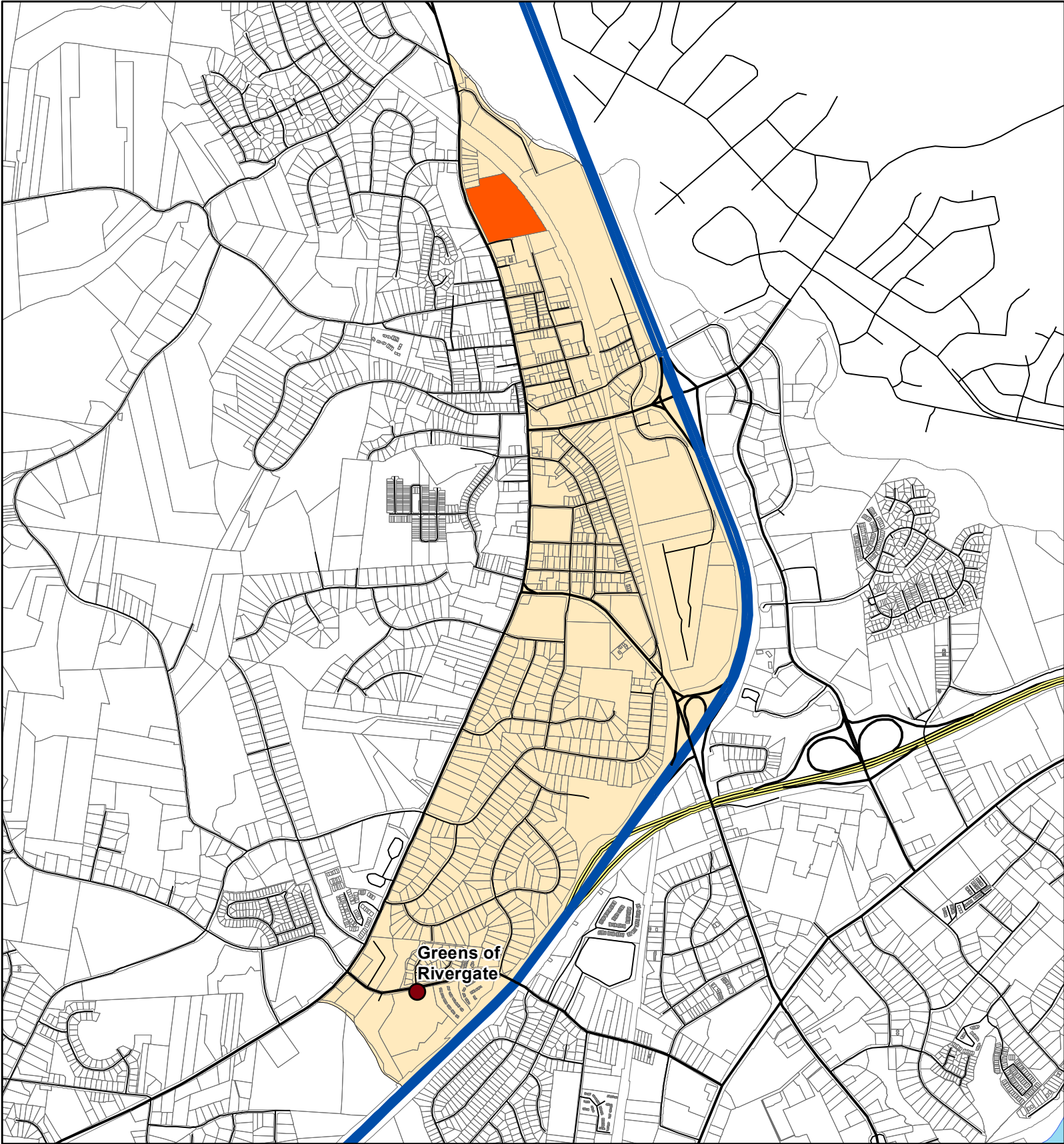
The second policy on the site is Conservation (CO) which is primarily located along the eastern edge of the property. This policy is in place due to slopes in the 20 percent range. The proposed site plan showed a majority of this area as conservation land, which is consistent with the intent of the policy to not be developed.

Planning Determination: The proposed development on the site is consistent with the policies on the site to provide employment opportunities and residential opportunities. This project 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.

Federally Subsidized Multi-Family Projects within Census Tract 47037010302



Low Income Tax Credit Project	# of Units
Greens of Rivergate	140

-  Low Income Tax Credit Project
-  Map 050 Parcels 59, Map 05004 Parcels 14-15

