



Metropolitan Nashville and Davidson County, TN

Legislation Text

File #: RS2023-2167, **Version:** 1

A resolution approving an Amended Economic Impact Plan for the Madison Station Economic Development Area.

WHEREAS, The Metropolitan Government of Nashville and Davidson County (the “Metropolitan Government”) is interested in preserving and promoting the economic welfare, educational growth, and vitality of this community; and

WHEREAS, the redevelopment of Madison Station will provide a necessary and substantial public benefit to the citizens of the Metropolitan Government; and

WHEREAS, The Industrial Development Board of the Metropolitan Government of Nashville and Davidson County (the “Industrial Development Board”) has reviewed an Economic Impact Plan for the Madison Station Economic Development Area regarding the redevelopment of the Madison Station (the “Plan”); and

WHEREAS, the development proposed in the Plan by Artesia Real Estate and The Cauble Group (collectively, the “Developer”) will consist of approximately 1.7 million square feet of 4- to 7-story residential, retail, and office space, including up to 170 units (10%) of the multifamily units developed to be affordable housing at 60-80% of the Area Median Income for Nashville and/or offered as senior, artist housing, built in a mixed-income format (the “Project”), at a cost expected to exceed \$600,000,000, and the Project will help revitalize the Madison area creating a vibrant pedestrian-friendly mixed use area; and

WHEREAS, the Industrial Development Board caused a public hearing with respect to the Plan to be held on December 14, 2022, as required by Tenn. Code. Ann. § 7-53-314(g) and at its meeting on December 14, 2022, approved the submission of the Plan to the Metropolitan Council; and

WHEREAS, on January 3, 2023, the Metropolitan Council approved an amended Economic Impact Plan pursuant to Resolution No. RS2022-1902 in the form attached hereto as Exhibit A (the “Amended Plan”); and

WHEREAS, Tenn. Code. Ann. § 7-53-314(g) provides that an economic impact plan must be first approved by the Board, following a public hearing, and then submitted to the Metropolitan Mayor and to the Metropolitan Council for its approval; and

WHEREAS, the Industrial Development Board caused a public hearing with respect to the Amended Plan to be held on April 12, 2023, as required by Tenn. Code. Ann. § 7-53-314(g) and at its meeting on April 12, 2023,

approved the submission of the Amended Plan to the Metropolitan Council; and

WHEREAS, the Industrial Development Board has submitted a copy of the Amended Plan to the Mayor pursuant to Tenn. Code. Ann. § 7-53-314(f); and

WHEREAS, the Amended Plan envisions that Developer will fund up to \$146,050,534.00 for the costs of certain public infrastructure and building demolition and site preparation, plus interest, to be paid back over time from seventy five percent (75%) of the incremental real property taxes from the Project; and

WHEREAS, the public infrastructure contemplated to be constructed by the Developer includes the construction, relocation, lighting and/or improvement of streets and utilities, storm water detention, retention and management, parks and greenways for the use of the public, transit station and other public infrastructure for the completion, use and operation of the Project; and

WHEREAS, the Amended Plan provides that, subject to approval by the State Comptroller and the Commissioner of the Tennessee Department of Economic Development, the Developer may be reimbursed the costs for demolition of the existing buildings and the preparation of the site for the development of the Project; and

WHEREAS, the Metropolitan Government has determined that Amended Plan will promote economic growth and stability within the community.

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

Section 1. The Metropolitan County Council hereby finds that the Amended Plan is in furtherance of promoting economic development in the community, will develop trade and commerce in and adjacent to our city, contribute to the general welfare, and alleviate conditions of unemployment, and will be necessary and advantageous to the Industrial Development Board in furthering the purposes of the Industrial Development Corporation Act, Tenn. Code Ann. § 7-53-101, et seq.

Section 2. The Metropolitan County Council hereby approves the Amended Plan in the form attached hereto as Exhibit A and incorporated herein by reference, it being in the interest of the citizens of The Metropolitan Government of Nashville and Davidson County so to do, and the Industrial Development Board is authorized to take such other action as may be necessary, appropriate or required to implement the Amended Plan.

Section 3. This Resolution shall take effect from and after its adoption, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

Analysis

This resolution approves an Amended Economic Impact Plan for the Madison Station Economic Development Area.

T.C.A. § 7-53-314 authorizes the Industrial Development Board (the “IDB”) to prepare economic impact plans for approval by the Metropolitan Council. On December 14, 2022, the IDB considered and approved the initial Plan for submission to the Metropolitan Council. The purpose of an economic impact plan is primarily to provide tax increment financing for a designated project to cover costs related to public infrastructure and site development. On January 3, 2023, the Metropolitan Council approved the initial economic impact plan for the Madison Station Economic Development Area pursuant to Resolution No. RS2022-1902, as amended.

This resolution contains the same Economic Impact Plan as amended by the Council and approved on January 3, 2023. The Amended Plan was resubmitted to the IDB, who held a public hearing on the proposal on April 12, 2023, as required by state law. The IDB approved the Amended plan at its April 12, 2023 meeting and has resubmitted the Amended Plan to the mayor and the Council pursuant to Tenn. Code Ann. 7-53-314. This resolution will ratify the actions taken by the Council at its January 3, 2023 meeting.

The Madison Station project is located at 721 Madison Square, Madison, TN 37215. At completion the project area will be a mixed-use development home to residential units, parks, other public spaces, and commercial units. The real property tax increment above the base tax and dedicated tax will be used to pay for the public improvements to the property, such as streets, transit center, pocket parks, greenway, etc. The funds will also be used to pay the costs of preparing the site for construction of the public improvements, such as demolition and grading.