



SHAPING

NASHVILLE'S

PROGRESS

HISTORIC PRESERVATION TOOLS, STRATEGIES AND INCENTIVES
PREPARED FOR THE METRO HISTORICAL COMMISSION

PREPARED BY PLACEECONOMICS
JULY 2020

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FAIRPLANE

hotel INDIGO

hotel INDIGO

Pizza by the Slice

PARKING

1889

EXECUTIVE SUMMARY

In 2019, PlaceEconomics was commissioned by the Nashville Metro Historical Commission to create a set of recommendations to help the city navigate a period of intense growth while protecting its historic resources. This report follows an analytical report completed in April of 2019, *The New Nashville*, on the impacts of historic preservation on the economic and cultural health of the city. Insight from in depth stakeholder meetings, research of Nashville's current programs and ordinances, as well as PlaceEconomics' extensive knowledge of innovative strategies and best practices helped formulate the recommendations made in the following pages. *Shaping Nashville's Progress* identifies 17 tools, strategies, and incentives that can help manage Nashville's unprecedented growth without sacrificing its valued historic assets. The following is PlaceEconomics' list of recommendations:

REGULATORY TOOLS

- Demolition by Neglect Ordinance
- Penalties for Illegal Demolition
- Mandatory Documentation Before Demolition
- Lengthen Demolition Delay
- Increase Demolition Fee
- Fee Waivers
- Modify Downtown Height Bonus Program

FINANCIAL TOOLS

- Tax Abatement
- Establish a State Historic Tax Credit
- Adopting Use Value to Determine Assessment for Historic Properties

KNOWLEDGE & PLANNING TOOLS

- Update the Preservation Plan
- Expand Historic Preservation 101 Course

COMMUNITY ENGAGEMENT TOOLS

- Develop Social Media Strategy
- Foster Good Neighbor Partnership Program
- Hold Inter-Departmental Retreats

DIRECT ACTION TOOLS

- Expand the Historic Preservation Fund
- Explore Land Banking Model



INTRODUCTION

People know Nashville for its music history and for its many cultural, sports and entertainment offerings. But Nashville is also one of the nation's fastest growing cities, ranking in at number 7 on Forbes list of the top 25 fastest growing cities of 2018. Forbes also ranked Nashville as the third best big city for jobs in the U.S.¹

Such dramatic growth is accompanied by a strong market for development, much of which is occurring as infill and redevelopment of previously built sites. Consequently, many of the older, historic areas of the city are experiencing development pressures that threaten their historic character and viability. Yet as *NashvilleNext* states, "We are strong because of our culture of creativity, respect for history, and optimism for the future." Despite these unprecedented levels of growth and progress, this is a city that wants to carry its history forward.

The following report is the second in a two-part study commissioned by the Nashville Metro Historical Commission (MHC). The first report, *The New Nashville: A Study of the Impacts of Historic Preservation*, was published in April 2019 by PlaceEconomics, and demonstrated the contributions historic resources make to Nashville's economy, character, culture, and environment. *Shaping Progress: Tools and Strategies to Protect Nashville's Historic Resources* is aimed at identifying tools, strategies, and incentives that can help manage Nashville's growth without sacrificing the Metro's valued historic assets.

In preparation for this report, PlaceEconomics conducted meetings with a wide variety of six stakeholder groups in Nashville. It is clear that the citizens of Nashville value their historic and cultural resources, and recognize that the pace of investment and development is placing some of those resources at risk. Stakeholders expressed a need for Nashville to expand its definition of preservation and that the practice of preservation should go beyond designating new overlays. While these groups represented diverse interests, they share similar concerns:

RESIDENTIAL STAKEHOLDER GROUP

- *"How do we protect our neighborhoods from all the love they are experiencing?"*
- *"People [are starting] to realize the nature of zoning and how it can benefit and safeguard the neighborhood for design harmony and affordability."*
- *"We have to get it across to developers that character needs to be kept because homogenization does not attract people—character does."*

ADVOCATES STAKEHOLDER GROUP

- *"Lack incentives (tax breaks, carrots)"*
- *"Most people are proud of what they have, and historic markers help share that, but how do you develop that around an entire neighborhood?"*
- *"Resource protection planning just sat on a shelf, but at least now preservation is being considered in some sense in overall planning, which is good."*
- *"We need to use the resources of this agency and others in the city to cast heritage net broadly, not just worrying about National Register listing, and only listing for tax credits, etc."*

As the stakeholder concerns demonstrate, Nashville's current tools for protecting historic resources, while appropriate in the past, may not be sufficient for today's development climate. Therefore, additional tools may be needed to help protect critical properties and support redevelopment that respects the built heritage. The recognition that historic resources contribute to

the public good should be balanced with the need to accommodate both new development and the redevelopment of heritage buildings. Additionally, when there are changes in planning policies, zoning ordinances, and other land use regulations, impacts on individual properties might be such that additional tools, strategies, and incentives are both necessary, desirable, and feasible. That is the situation today in Nashville.

This report outlines an integrated toolkit that actively involves other city departments and diverse stakeholders. It suggests strategies that strengthen the regulatory powers of the MHC, while also developing the capacity for other departments to play a role in preserving Nashville's history. Such a holistic approach helps to establish a preservation ethos in Nashville more broadly.



Kress Building - 5th Avenue



Woolworth on Fifth

Historic Zoning in Nashville

Zoning is a tool that has long been used to promote and protect architectural, cultural, and heritage resources in cities around the country. One of the most common ways in which this is achieved is through the use of historic zoning overlays. These overlays offer an additional degree of regulatory review in order to protect the character of the area and are the result of a bottom-up, neighborhood-driven process.

In 1977, the Metropolitan Historic Zoning Commission (MHZC) was established to oversee the review of construction activities that take place within historic zoning overlays. The MHZC "was authorized to review all permit applications for alterations, new construction, relocation, and demolition within areas designated as historic zoning districts, [and] to determine the appropriateness of the proposed work and preserve the area's buildings and character."²

In Nashville, there are five types of historic zoning overlays and each provides different levels of review. Nashville's five historic overlays: Historic Landmark, Historic Preservation Zoning, Neighborhood Conservation Zoning, Historic Landmark Interior, and Historic Bed and Breakfast Homestay. The type of overlay is not determined by the level of significance of the area, but rather is a reflection of the needs and goals of the property owners and the MHZC.³

Each type of local historic overlay is regulated in accordance with a unique set of design guidelines that adhere to national standards while also reflecting the local character of a specific district. Each design guidelines document, developed with input from property owners and MHZC staff, "helps protect the architectural and historic character of Nashville's historic sites and neighborhoods by managing growth and change through public design review."⁴ Before a building permit can be issued for certain types of construction in historic overlays, the owner must apply for a Preservation Permit. Using the adopted design guidelines for each district, MHZC staff then evaluates the Preservation Permit to determine if the proposed work can be pre-approved or must go before the commission for review. Once reviewed, the Preservation Permit is either approved, granting the applicant the authorization to obtain a building permit, or the applicant is allowed the opportunity to modify the plans based on feedback from MHZC staff or commissioners.

² <https://www.nashville.gov/Portals/0/SiteContent/Planning/docs/NashvilleNext/next-report-HistoricPreservation%205-2-2013.pdf>

³ <https://www.nashville.gov/Portals/0/SiteContent/MHZC/docs/Design%20guidelines%20and%20HB/BMLT%202017.pdf>

⁴ <https://www.nashville.gov/Historical-Commission/Services/Preservation-Permits/Districts-and-Design-Guidelines.aspx>

Historic Preservation Zoning Overlay Districts (HPZOs)

Nashville has seven Historic Preservation Zoning Overlay districts, the first of which was established in 1978 (Edgefield). HPZOs, along with the Historic Landmark Districts, undergo the highest level of review, and are therefore provided the greatest level of protection. In an HPZO, the majority of exterior alterations are regulated by design guidelines and subject to MHZC approval.

The following is a list of construction activities that are reviewed by MHZC staff and commissioners:⁵

- New construction of a primary building
- New construction of an accessory building (garage, shed, carport, etc.)
- Additions – increased footprint, height or building envelope of an existing structure (rear and side additions, dormers, skylights, chimneys, porches, etc.)
- Demolition (in whole or in part)
- Relocation
- Setback reductions
- Construction of appurtenances, with the exception of portable storage units under 100 sq. ft. (examples include fences, retaining walls, paving, streetlights, curb cuts, fountains, or other built features)
- Signage
- Repairs and Alterations to existing structures (reroofing, repairing/replacing siding, repointing mortar, repairing/replacing windows or doors, replacing or adding exterior lighting, painting masonry)

The following activities do not require MHZC review:

- Temporary banners or signage
- Temporary construction trailers
- Painting of wood

Neighborhood Conservation Zoning Overlay Districts (NCZOs)

Today, Nashville has 23 Neighborhood Conservation Zoning Overlays, the first of which was established in 1985. Like the HPZOs, there are design guidelines for each NCZO, however the regulations are less restrictive than HPZOs. The following activities in NCZOs are reviewed by MHZC staff and commissioners:⁶

- New construction of a primary building
- New construction of an outbuilding (garage, shed, carport, etc.)
- Additions – increased footprint, height or building envelope of an existing structure (rear and side additions, dormers, skylights, chimneys, porches, etc.)
- Demolition (in whole or in part)
- Relocation
- Setback determinations

The following activities in NCZOs do not require MHZC review:⁷

- Temporary structures that do not have foundations and are erected for a period of 90 days or less
- Construction of appurtenances, including portable buildings that are less than 100 square feet, do not have permanent foundations, used primarily for storage, used on a limited basis, and are not hooked up to utilities
- Signage
- Repairs and Alterations to existing structures (reroofing, repairing/replacing siding, repointing mortar, repairing/replacing windows or doors, replacing or adding exterior lighting, painting masonry)

⁶ Ibid

⁷ <https://www.nashville.gov/Portals/0/SiteContent/MHZC/docs/Design%20guidelines%20and%20HB/Eastwood%202018.pdf>

⁵ <https://www.nashville.gov/Portals/0/SiteContent/MHZC/docs/Design%20guidelines%20and%20HB/HANDBOOK.pdf>



National Register of Historic Places Historic Districts (NRHDs)

The National Register of Historic Places is a federal program administered by the U.S. Department of the Interior (DOI) through the National Park Service (NPS). Listing in the National Register is purely honorific and has no impact on what a private property owner can or cannot do to their property. In general, unlike HPZOs or NCZOs, construction activities in NRHDs do not need to be reviewed and approved by MHZC. However, income-producing National Register properties may be eligible to receive the Federal Historic Rehabilitation Tax Credit provided the work is consistent with the Secretary of Interior's Standards for the Treatment of Historic Properties. Otherwise, listing in the National Register alone is purely honorary—a way to recognize that the district or individual property as an intact and important part of Nashville and American history.

Nashville has 29 National Register Historic Districts, including three university campuses. Eleven of them are stand-alone districts, meaning they do not share boundaries or intersect in whole or in part with any local overlays. While Nashville's local historic overlays receive a level of oversight through design review that affords them some protection, these 11 NRHDs do not have that benefit.



Music Row

Specific Plan (SP) Zoning emerged in a number of stakeholder groups as an area of concern. To help clarify the purpose of Specific Plan Zoning, the following sums up the intent and process of the regulation.

Metro Nashville's Codes Administration defines SP zoning as:

"In the event that a property is zoned Specific Plan (SP), then as the name suggests, there is a specific plan for the property that should be carefully read to understand the rights and permitted uses on the property. In some cases, it could mean a minor change to base zoning, in others, the property may be unique and unlike any others in the surrounding neighborhood. An SP must be considered and adopted by the Metro Council and Planning Commission before going into effect."

The intent of Specific Plan Zoning is characterized as follows:

"The specific plan (SP) district is an alternative zoning process that may permit any land uses, mixture of land uses, and alternative development standards, of an individual property or larger area, to achieve consistency with the general plan. In return, a SP district requires the specific plan to be designed such that, at a minimum, the location, integration and arrangement of land

8 <https://www.nashville.gov/Codes-Administration/Land-Use-and-Zoning-Information/Understanding-the-Zoning-Code.aspx>

uses, buildings, structures, utilities, access, transit, parking, and streets collectively avoid monotony, promote variety, and yield a context sensitive development. The specific plan cannot vary Section 17.40.055 (inclusionary housing incentive) and must comply with the building, fire and life safety codes adopted by the metropolitan government."

The process of rezoning requires concurrent reviews by both the Metro Planning Commission (MPC) and the MHZC.⁹ In general, the MPC reviews use, infrastructure and density, while the MHZC reviews massings, bulk standards and details such as materials and elevations for an SP rezoning.

The MHC and MHZC are tasked with determining the effects of the proposed SP districts on historic properties. If the effects are found to be adverse, the recommendation may include a modification to the site design or an historic zoning overlay. However, this process is essentially advisory, making it weak in nature, and could be strengthened.

9 17.40.105 https://library.municode.com/tn/metro_government_of_nashville_and_davidson_county/codes/code_of_ordinances?nodeId=CD_TIT17ZO_CH17.40ADPR_ARTIIIAMZOCOOFZOMA_17.40.105SPPLURIN

10 <https://www.nashville.gov/Portals/0/SiteContent/MHZC/docs/Design%20guidelines%20and%20HB/HANDBOOK.pdf>, pg. 12. See Appendix 1 for MHZC's role in the SP Rezoning process.

TOOL FRAMEWORK

PlaceEconomics has reviewed a variety of incentives to encourage the investment of private resources into heritage buildings from across the United States and internationally. The PlaceEconomics tool framework approaches the collection, evaluation, and recommendation of potential tools in the context of the United Nations Education, Scientific, and Cultural Organization's (UNESCO) Historic Urban Landscape (HUL) protocol. This international protocol applies planning for the natural landscape to the urban landscape. The concept being that planning can never be about stasis—grass grows, leaves fall from shrubbery, rainfall varies, trees increase in size and then at some point, die. The HUL recognizes that cities, too, are never in stasis... they grow, sometimes shrink, change, and evolve in multiple ways. So, the management of the historic fabric within a city is not successful if approached from a "freeze in place" standpoint, but rather through first the identification of the historic assets and then the appropriate management, protection, and enhancement of those assets. The HUL approach is described as follows:

"UNESCO's approach to managing historic urban landscapes is holistic by integrating the goals of urban heritage conservation and those of social and economic development. This method sees urban heritage as a social, cultural and economic asset for the development of cities."

and

"The Historic Urban Landscape approach moves beyond the preservation of the physical environment and focuses on the entire human environment with all of its tangible and intangible qualities. It seeks to increase the sustainability of planning and design interventions by taking into account the existing built environment, intangible heritage, cultural diversity, socio-economic and environmental factors along with local community values."

In the HUL framework, tools commonly used for historic preservation fall into four categories:¹¹

Regulatory Tools should reflect local conditions and may include legislative and regulatory measures aimed at the preservation and management of tangible and intangible attributes of the urban environment, including their social, environmental and cultural values. Traditional and customary systems should be recognized and reinforced as necessary. Examples include: building/zoning code flexibility, regulatory waivers, conditional use permits, Transferable Development Rights (TDRs), Specific Plan.

Financial Tools should be aimed at building capacities and supporting innovative income generating development, rooted in tradition. In addition to government and nonprofit funds, financial tools should be effectively employed to foster private investment at the local level. Micro-credit and other flexible financing to support local enterprise, as well as a variety of models of partnerships, are also central to making the historic urban landscape approach financially sustainable. Examples include: grants, loans, loan guarantees, fee-waivers, and tax abatement. It should be noted that fee-waivers need to be considered in context with statutory or other restrictions for said fees and may require reimbursement from other funds.

Knowledge & Planning Tools help protect the integrity and authenticity of the attributes of urban environment. They should also allow for the recognition of cultural significance and diversity, and provide for the monitoring and management of change to improve the quality of life and of urban space. These tools would include documentation and mapping of cultural and natural characteristics. historic, social, and environmental impact assessments should be used to support and facilitate decision-making processes within a framework of sustainable development. Examples include: technical assistance, systematic surveying, building maintenance teams.

Community Engagement Tools should involve a diverse cross-section of stakeholders, and empower them to identify key values in their urban areas, develop visions that reflect their diversity, set goals, and agree on actions to safeguard their heritage and promote sustainable development. These tools, which constitute an integral part of urban governance dynamics, should facilitate intercultural dialogue by learning from communities about their histories, traditions, values, needs and aspirations, and by facilitating mediation and negotiation between groups with conflicting interests. Examples include: a city community engagement office, community programs, community-led survey. In addition, PlaceEconomics has developed another category called "Direct Action" for tools that do not easily fit within the HUL framework.

Direct action tools should be aimed at critical interventions or activities of public value for which the municipality is the direct actor. Wherever possible, direct action tools should be leveraged to build partnerships and lasting networks for greater, continued impact. These tools should constitute a wise use of public dollars and demonstrate best practices to the private sector. Examples include: property purchase, public redevelopment, creation of a revolving fund.

It is also useful to consider the various ways that any given tool can affect a project. Based on the research, it has been found that incentives for historic buildings can be developed to assist a project in eight ways:

- Reduce the capital costs
- Reduce the cash required
- Increase the income
- Reduce the expenses
- Improve the financing
- Reduce the risk
- Improve the investment environment
- Improve the education and information environment

Following the Historic Urban Landscape protocol means expanding historic preservation ethos horizontally across Metro Nashville's various departments policies, practices, and tools. In order for a holistic approach to be successful, the implementation cannot be siloed into the hands of just the Metro Historical Commission.

¹¹ Recommendation on the Historic Urban Landscape adopted by the General Conference at its 36th session. <http://www.historicurbanlandscape.com/themes/196/userfiles/download/2014/3/31/3ptdwdwsom3eihfb.pdf>

STAKEHOLDER OUTREACH

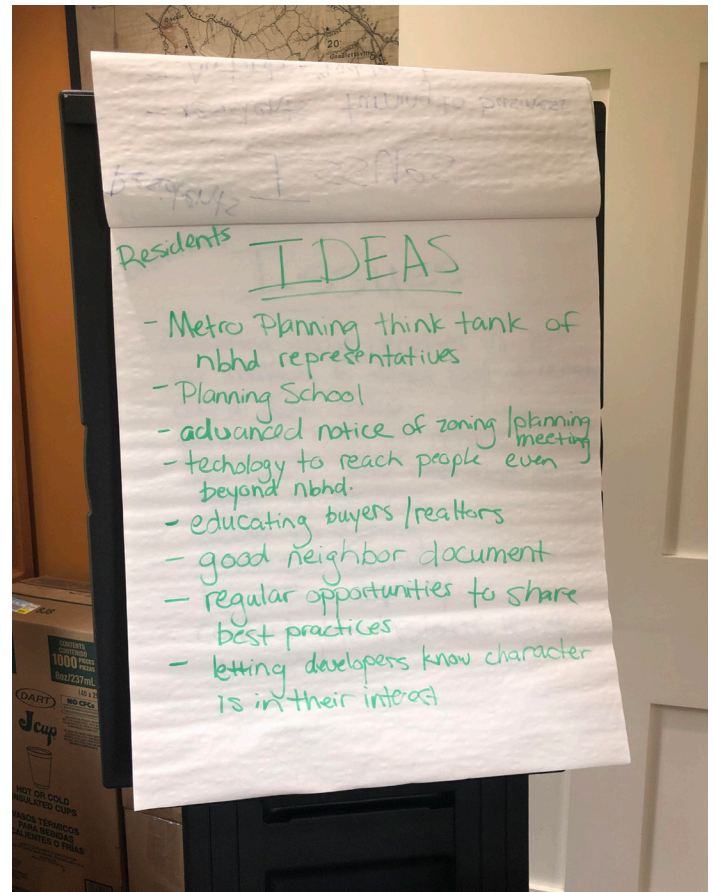
The PlaceEconomics team held stakeholder focus groups on June 17 and 18 and July 15 and 16, 2019 with over fifty individuals representing historic preservation advocates, commercial and residential property owners, developers, real estate professionals, Metro elected officials, and Metro staff. This includes those from Metro's Planning, Codes Administration, and Legal Departments, as well as the Metropolitan Development and Housing Agency. PlaceEconomics also sent out a survey to the staff of the Metro Historical Commission (MHC) and the Metro Historic Zoning Commission (MHZC), a copy of which can be found in Appendix 2.

While there were numerous comments, concerns, issues, and ideas offered, there were some common themes that emerged during the stakeholder meetings.¹² A few of these include:

- The need for more education about historic preservation for the public, realtors, developers, inspectors, Council members, etc.
- The need for more historic preservation tools and incentives.
- The need to broaden the constituency for historic preservation through engagement with diverse populations, age groups, etc.
- The need for more adequate support and staffing for local preservation organizations.
- The need for regulations and building codes to adapt so that they reflect the realities of contemporary living/business competitiveness without undue burden on older buildings (common sense regulation).

¹² See Appendices 2, 3, and 4 for a full listing of stakeholder focus group attendees, MHC and MHZC staff survey questions, and a matrix of comments and concerns raised during stakeholder meetings.

Feedback from these stakeholder meetings, as well as PlaceEconomics' inventory of national and international best practices, helped formulate 17 tools, strategies, and incentives that can address some of the challenges and concerns raised by the stakeholder groups. These recommendations have been situated within the UNESCO HUL tools framework and are described in the following section.



Layla's

HONKY★TONK

Layla's
HONKY★TONK
A TRUE NASHVILLE ORIGINAL

418

Tito's

Handmade
DKA
AUSTIN ★ TEXAS

Budweiser
Budweiser
5/16

BUD LIGHT
MUSIC CITY USA

TENNESSEE
BREW

Pal
Lay
BE

BEAR HAYNES
10-2

NOW PERFORMING
ROADHOUSE ROOSTERS
100 Southern Blvd.
Belle Meade, TN

Layla's Honky Tonk, Broadway

INCENTIVES TOOLS AND STRATEGIES TO CONSIDER

Each recommendation is situated within the HUL framework of Regulatory, Financial, Knowledge and Planning, Community Engagement, and Direct Action. They are supported by narrative explanations with examples from other communities when applicable. The recommendations presented in this section reflect the feedback communicated during the stakeholder focus groups conducted by PlaceEconomics. Based on these meetings and PlaceEconomics' inventory of national and international best practices, each recommendation was evaluated based on a set of five criteria:

- The Metro departmental lead and collaborators
- The effectiveness of the idea in advancing historic preservation and resiliency
- The complexity of creating and managing the idea
- The cost to the Metro of implementing the idea
- The likelihood of the idea being accepted by various stakeholder groups

For the full recommendation evaluation matrix, please see Appendix 4. Additionally, Appendix 5 includes a matrix that illustrates a possible implementation strategy for each recommendation.

Regulatory Tools

DEMOLITION BY NEGLECT ORDINANCE

“ **People buy historic buildings and then just do demolition by neglect. Metro needs to have a law that outlaws this if you buy in a local overlay, or National Register Historic District. (Developer Stakeholder Group)**

What tools do you believe would be most effective in responding to [preservation] challenges? Demolition by neglect violations from MHZC. As of now, it runs through Codes. (Staff Survey) ”

Demolition by neglect is the process by which a building owner allows a property to deteriorate to the point that demolition becomes necessary because rehabilitation is unreasonable. More often than not, the cause of this neglect is due to benign reasons—elderly or ill owners, estate disputes, foreclosure, etc.¹³ However, in some circumstances, demolition by neglect is a deliberate strategy used to circumvent preservation regulations. In order to discourage either type of occurrence, numerous cities have enacted provisions or stand-alone legislation that puts in place regulations to prohibit the practice altogether.

The first step in enacting a demolition by neglect ordinance or provision within an existing preservation ordinance is validating that the municipality has the authority to do so through enabling legislation. Next, a successful demolition by neglect ordinance or provision should include six key components: maintenance standards specific to historic properties, violation notification procedures, process timeline, appeal procedures, economic hardship provisions, and penalties.¹⁴ Arguably, the most important aspect in enforcing a successful demolition by neglect ordinance rests on the cooperation between various city departments.

¹³ John Weiss, “Pursuing an Owner for Demolition-By-Neglect: A Torturous Legal Path,” District Lines, Spring 2009.
¹⁴ Dan Becker, “Establishing a Demolition by Neglect Ordinance,” The Alliance Review, February/March 1999.

Collaborating Entities: MHC, MHZC, Codes, Council,* Mayor’s Office, Planning,* Property Standards and Appeals Board, Neighborhood Organizations

Effectiveness: High

Complexity: High

Cost to City: Moderate

Stakeholder Approval: High

*Council and Planning involved with ordinance adoption.

In Nashville, these departments might include Metro Historical Commission, Metro Historic Zoning Commission, and the Department of Codes & Building Safety, in particular the Property Standards Division. These procedures add additional pressure to property owners to comply.

Currently, Nashville’s Metro Codes Department is responsible for overseeing property standards and violations, though no demolition by neglect legislation is in effect that changes the course of code enforcement for properties within historic or conservation districts or buildings over 50 years old.¹⁵ General code enforcement practices delay municipal action until demolition, but a demo by neglect ordinance would set specific procedures (including mothballing, stabilization, etc) to intervene earlier and prevent further deterioration.¹⁶ To further safeguard resources from being lost to demolition by neglect, we recommend the establishment of a stand-alone demolition by neglect ordinance or the adoption of a provision within Nashville’s current historic preservation legislation.

EXAMPLES:

[Raleigh, NC \(Article 11.8: Demolition by Neglect \)](#)

[San Francisco, CA \(Article 10, Sec. 1008–Compliance with Maintenance Requirements and Sec. 176–Penalties\)](#)

¹⁵ <https://www.nashville.gov/Codes-Administration/Property-Standards/Code-Enforcement/Codes-Violation-Types-Quick-List.aspx>

¹⁶ Historically, code enforcement practices have rarely seen the municipality enforce an order to repair. However, Nashville Municipal Code 16.24.560 authorizes the Metro “to repair, close, or demolish the vacant and unsafe building.”

PENALTIES FOR ILLEGAL DEMOLITION

“*There’s no penalty for [illegal] demolition, only a \$50 fine. There’s been an effort to get that changed, but it would need to be a state constitutional amendment, so no one wants to tackle it.*” (Advocates Stakeholder Group)

“*Things are getting torn down in a neighborhood even though there is a stop work order on it. There is no capacity to enforce things.*” (Residential Stakeholder Group)

“*What tools do you believe would be most effective in responding to [preservation] challenges? Remove future building opportunities for developers who tear down instead of renovating.*” (Staff Survey)

Like many other cities, Nashville has an established process for reviewing and permitting the demolition of historic structures. While this is beneficial, there are instances in which owners either choose not to follow these procedures, or are not aware that they exist. Ideally, a city’s preservation ordinance includes unambiguous language regarding the consequences incurred by undertaking illegal demolition or demolition by neglect. Other than a nominal fee, Nashville currently imposes no explicit penalty for demolitions that violate the process laid out in the historic preservation ordinance.¹⁷

In order to more effectively safeguard resources granted protection under Nashville’s preservation legislation, more clear-cut penalties must be outlined for the improper or illegal demolition of historic properties. This may necessitate a change in state law. Currently, Metro Codes Department imposes a triple application fee for work done without a building permit, the penalties for illegal demolition of historic properties should be similar.

¹⁷ https://library.municode.com/tn/metro_government_of_nashville_and_davidson_county/codes/code_of_ordinances?nodeId=CD_TIT17ZO_CH17.40ADPR_ARTXIIIEN_17.40.620PE

Collaborating Entities: MHC, MHZC, Codes, Council,* Mayor’s Office, Planning*

Effectiveness: High

Complexity: Moderate

Cost to City: Low

Stakeholder Approval: Low to High

*Council and Planning involved with ordinance adoption.

However, a large fee may not be sufficient for preventing illegal demolition. Numerous cities include within their preservation ordinance a set of prescribed repercussions for such infractions. For instance, if an owner is found to have illegally demolished a building that is either individually landmarked or contributing to a district, or a building that has been found eligible, the city may observe a 5 or 10-year moratorium on accepting building permits or authorizing approvals for new construction on the site. Alternatively, the city can, for a set period, revoke building privileges or licensing for a developer or owner who illegally or purposely neglects a designated property resulting in demolition.

In a fast-growing city like Nashville, where the stakes are as high as land values, any developer or owner would surely be discouraged from undertaking illegal demolition if such penalties were inflicted. By including straightforward language in Nashville’s ordinance regarding such violations and their associated penalties, MHC and MHZC staff will be able to more successfully enforce improper demolition offenses. We therefore recommend that Nashville revisit its current policy regarding illegal demolition and strengthen its enforcement efforts through a 5 or 10-year moratorium.

EXAMPLES:

[Chicago, IL \(2-120-910: Penalties and remedies for violations.\)](#)

[Los Angeles, CA \(22.124.240. Enforcement and Penalties, C1-2\)](#)

[Laguna Beach, CA \(25.45.014: Illegal demolition - Penalty for violations.\)](#)



Hillsboro-West End

MANDATORY DOCUMENTATION BEFORE DEMOLITION

Documentation has long been an accepted mitigation measure for historic structures that must, unfortunately, be demolished. Often, such documentation must meet the standards outlined by the Historic American Building Survey (HABS), Historic American Engineering Survey (HAER), or the Historic American Landscape Survey (HALS). Documentation that complies with these standards consists of measured drawings, photographs, and a written history of the building or landscape. The result is a series of documents that provide information regarding the property's significance and ensures that a record of its existence is available to scholars, researchers, preservationists, architects, landscape architects, engineers, and the interested public.

Currently, Nashville's MHZC "may require historical documentation in the manner of interior and exterior photographs, architectural measured drawings of the exterior, or other notations of architectural features."¹⁸ However, if the commission finds that this documentation should be undertaken, the commission is responsible for all associated expenses. While the option to require documentation has been available to MHZC in the past, it could be expanded.

Collaborating Entities: MHC, Council, Mayor's Office, Planning

Effectiveness: High

Complexity: Moderate

Cost to City: Moderate

Stakeholder Approval: Moderate

*Council and Planning involved with ordinance adoption.

We recommend that the Commission consider adopting a provision which mandates that all designated structures (individual or contributing to a district) undergo HABS, HAER, or HALS documentation prior to demolition or deconstruction. However, since this type of documentation can be very costly, another option would be for Metro to draft a set of thorough alternative guidelines for documentation, such as those developed by the Vermont Division for Historic Preservation. Regardless, either option should require the building owner, rather than the city itself, to assume the cost of pre-demolition documentation.

EXAMPLES:

[Mount Joy, PA \(270-117-B\(3\)\(d\) Pre-demolition requirements\)](#)

[State of Vermont \(alternative documentation requirements\)](#)

LENGTHEN DEMOLITION DELAY

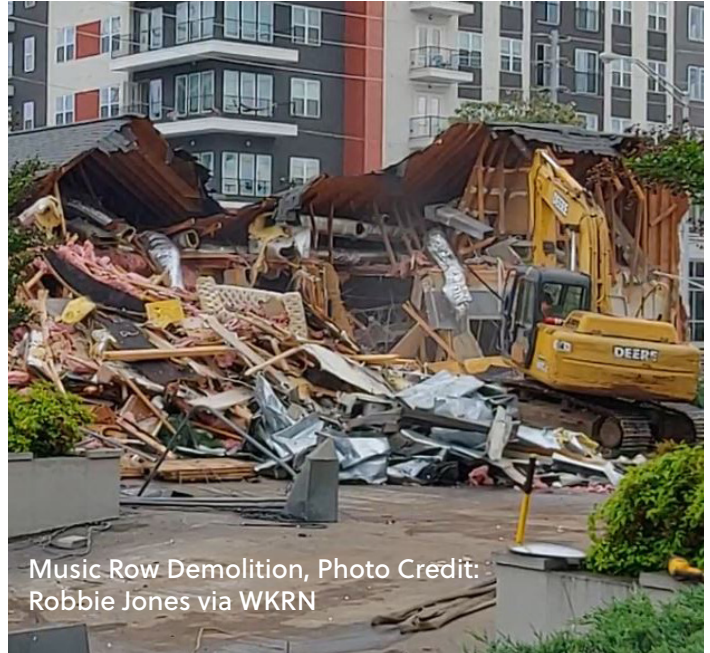
“*If there were no fiscal or political constraints, what tools (incentives, regulations, policies, etc.) do you believe would be most effective in responding to [preservation] challenges? Longer demo delay for designated properties.* (Staff Survey)”

An important tool in the preservation toolkit is the right to delay demolition of designated historic properties. Demolition delay often allows time for a preservation solution to be found. A second benefit of a delay is that it may discourage speculative demolition by adding the element of time, hence cost, of development. Developers may be slower to purchase historic properties with the intent to tear them down if they have to hold them off the market.

Nashville currently has a 90-day delay on all properties that are either listed in the National Register of Historic Places or are deemed National Register Eligible “for the purpose of attempting to mitigate planned demolition with documentation, salvage, dismantling of historic structure for educational purposes, relocation or other appropriate measures.”¹⁹ While a 90-day demolition delay is better than no delay, it may not provide sufficient time to either allow for a preservation solution to be found or be long enough to discourage potential buyers whose intent is demolition.

When a property is at risk, the ideal solution, of course, would be to find a sympathetic buyer, one who would protect the property in situ. Depending on the market, that may take months, not weeks. Alternatively, it may be possible to move the property to save it. But that requires finding a site that can accommodate the structure, finding someone capable of safely moving a structure, and negotiating with multiple parties (local government, public and private utilities, property owners) to make the move financially feasible. That too takes time.

¹⁹ Metro Nashville, Ordinance No. BL2006-936 https://www.nashville.gov/mc/ordinances/term_2003_2007/bl2006_936.htm and <https://www.nashville.gov/Portals/0/SiteContent/MHZC/docs/Preservation%20Permits/Maps%20and%20Guidelines/MASTER%20HB%20TEMPLATE.pdf>



Music Row Demolition, Photo Credit: Robbie Jones via WKRN

Collaborating Entities: MHC, Council, Mayor's Office, Planning

Effectiveness: High

Complexity: Low

Cost to City: Low

Stakeholder Approval: Low to High

*Council and Planning involved with ordinance adoption.

Many municipalities across the nation have a one year (365 day) demolition delay ordinance. This usually is sufficient time for a good preservation resolution to be found and it is enough to at least discourage speculative demolition of historic properties. This delay is often used strategically for circumstances when the “pause button” is truly necessary. Given the development pressures across Nashville, we would recommend a 365-day demolition delay for properties either listed in the National Register or eligible for such listing and a 45-day demolition delay for properties considered Worthy of Conservation. This will not end demolition, but it will slow it down such that other solutions for protecting significant structures may be found.

EXAMPLES:

[Fort Worth, TX](#)

[City of Raleigh, NC \(Article 5.4. \(D\) Prohibited Activities\)](#)

INCREASE DEMOLITION FEE

“*What tools do you believe would be most effective in responding to those [preservation] challenges? Heavy fines on those who tear down historic structures in zoned districts and increase city fees for demo permits. (Staff Survey)*”

Sometimes demolition is inevitable. Most cities, including Nashville, assess application fees for demolition of structures, both residential and commercial. In Nashville, the fee schedule depends on a property's valuation, with residential fees ranging from \$29 to \$1,922 and commercial fees ranging from \$41 from \$2,327.²⁰

Currently, there is no distinction for the demolition of historic structures. However, as the Metro has a stated goal as part of their Concept 2010 Plan to “Preserve and enhance historically, archaeologically and/or architecturally significant structures and areas,” and the plan has an objective to “Seek incentives which encourage the preservation and/or reuse of historic structures,” and furthermore, NashvilleNext states that “We are strong because of our culture of creativity, respect for history, and optimism for the future.” It therefore seems reasonable for Metro to also establish an additional application fee to cover the “cost” of ignoring the community's agreed upon goals when historic structures are demolished.

For example, the City of New Orleans has an increased demolition fee structure, shown in the table to the right. Admittedly, an additional fee on top of the normal cost of demolition may not discourage the act in full, but it should shine a light on the importance the city places on its historic structures. The intent is not to be punitive but to acknowledge that if such demolition must occur, the additional funds generated by the demolition fee should be captured such that they could be placed in a reserve dedicated to other historic preservation efforts.²¹

Collaborating Entities: MHZC, Finance, Codes, Mayor's Office*

Effectiveness: Moderate

Complexity: Low

Cost to City: Low

Stakeholder Approval: Moderate

*Outside consultants, not Metro, would perform the necessary audit to justify the fees.

In Nashville, an increased demolition fee structure could be designed such that all buildings over 50 years old are reviewed by Metro Historical Commission. Similar to New Orleans, the higher the level of designation, the higher the fee for review, therefore justifying the additional fee cost. In Nashville, increasing the demo fee will require an internal audit to determine the actual costs of reviewing a preservation permit—the fee for the permit cannot exceed that administrative cost.

EXAMPLES:

[New Orleans, LA \(Guidelines for Demolition Permits\)](#)

[Boulder, CO \(2020 Planning and Development Services Schedule of Fees\)](#)

NEW ORLEANS DEMOLITION FEE STRUCTURE

Tier	Fee Amount
Base Fee	\$95 + \$5 per \$1000 of demolition cost
If the demolition requires a COA	50% surcharge added to fee
If the demolition requires a Neighborhood Conservation District Committee Review	\$250 fee for residential structures and \$500 for commercial structures.
If the demolition started prior to permitting	500% penalty surcharge added to the original permit fee

²⁰ https://www.nashville.gov/portals/0/SiteContent/codes/docs/public_docs/Fee_Calculations.pdf

²¹ Currently, no application fees are earmarked for a specific fund or department, but rather all go into the general fund.

FEE WAIVERS

Collaborating Entities: MHZC, Planning, Codes, Mayor's Office

Effectiveness: Moderate

Complexity: Low

Cost to City: Low

Stakeholder Approval: High

In an effort to change property owner behaviors and encourage more rehabilitation of historic properties, many cities offer regulation and fee waivers. This may be fast-tracking preservation permits, waiving parking regulations, or a fee waiver for building permits of a historic property. Typically, these apply to just exterior improvements.

For example, Chicago allows permit fees to be waived for any work that requires the approval of the Commission on Chicago Landmarks in designated Chicago Landmark properties, as well as all buildings and new construction in landmark districts. The permit fee waiver application must be filed and approved by City Council before a permit is issued. Loveland, Colorado has a similar program, though the waiver is distributed as a refund after the permit has been approved. Boulder, Colorado offers a number of zoning variances and exemptions, as well as a sales tax waiver on construction materials for work completed on designed historic structures.

Currently, the MHZC is authorized to adjust design standards such as building setback and height in the best interest of the community. To allow for more feasible preservation of historic buildings, the MHZC should also have the ability to offer more waivers and relief in exchange for the preservation of important community resources.

EXAMPLES:

[Chicago, IL](#)

[Loveland, CO](#)

[Boulder, CO](#)



Union Street



Union Street



5th Avenue

ART CRAWL
ARTS

213 FIFTH AVENUE NORTH

CHA

MODIFY DOWNTOWN BONUS HEIGHT PROGRAM

“

We need to improve the Downtown Code. Currently there is a bonus height program with historic preservation being one of the actions that would allow for bonus height but it is unclear that bonus height should be transferred to a non-historic building [rather than to a historic building]. (Staff Survey)”

It is common for cities and counties to institute programs that encourage the voluntary transfer of density and height in order to shift growth away from areas of natural or cultural significance. Sometimes these programs allow property owners to add building height or units to the property in return for some public benefit such as affordable housing, open space, and in many cities - historic preservation. The height bonus for historic preservation works such that in exchange for preserving the building onsite, development capacity is transferred away from the historic structure to a site suitable for height.

Within Metro's Downtown Code (DTC), the Height Bonus Program (HBP) allows for a height bonus in exchange for contribution to programs that provide benefits to the public. There are many ways that a project can achieve additional height—Leadership in Energy and Environmental Design (LEED) certification of individual buildings, LEED for Neighborhood Development, pervious surfaces, publicly-accessible Open Space, Inclusionary Housing, Civil Support Space, upper level garage liners, underground parking—and last but not least, Historic Building Preservation. Within a Historic Overlay or Landmark District, existing buildings are eligible to transfer any unused DTC height entitlement, with the number of square feet of Bonus Height being equal to the development rights forfeited by the preservation of the building. The commitment that the building be preserved in perpetuity is recorded in the deed, requiring that any exterior alterations or demolition be reviewed by the MHZC.

Collaborating Entities: MHZC, Codes, Downtown Code Design Review Committee, Mayor's Office, MDHA, Planning
Effectiveness: Moderate
Complexity: High
Cost to City: Low
Stakeholder Approval: Low to High

The HBP creates alternative pathways to achieving additional height and does not limit where the height bonus can be used downtown. Even more concerning, staff stakeholders expressed concern that the code is vague and has allowed the height to be transferred to other historic buildings. This is in direct contradiction to one of the stated goals of the HBP, which is to preserve downtown's identity and character. We recommend that the Height Bonus Program be modified to exempt designated historic buildings and those determined to be Worthy of Conservation or National Register eligible from receiving additional height.

While the HBP allows for additional density in exchange for a variety of public benefits, there are ways in which it undermines its own goals. Additionally, too many other mechanisms exist (SP zoning, Special FAR Provisions) to add height and density that have contradictory, rather than complimentary, goals.

SHORTCOMINGS OF NASHVILLE'S TDR FOR HISTORIC PRESERVATION

Transfer of Development Rights have been a controversial issue in Nashville. Nashvillians are not alone in their struggle to make this type of program an effective tool for historic preservation. Over 20 cities in the US employ a transferable development rights program for historic preservation but very few are successful. Many of them are underutilized or ineffective due to structural flaws in their design. The ones that are successful are generally characterized by the following:

- A strong real estate market with significant development pressures
- "Receiving zones" that a) are not limited to properties abutting the sending property b) can appropriately accommodate the density without conflicting with the goals of the program
- Existing zonings that create a supply of space that is less than demand, thereby creating a market for additional development rights
- Clarity and simplicity in the process of transfer

Programs that have not been successful are usually characterized by one or more of the following:

- Ample amounts of "by-right" development capacity
- Other incentive programs that are easier, faster, and/or cheaper to use, thereby reducing the value and use of the TDR program
- Low market demand
- Lack of understanding in the marketplace
- The process of transfer is cumbersome or confusing

In 2007, Metro passed Ordinance BL2007-1369 (Section 17.12.120 of the Metro Code), which authorized a transfer of development rights for downtown historic preservation districts and downtown historic landmark districts. The purpose of this ordinance was to protect these structures in Downtown Nashville, while allowing owners of these structures to realize the value of their underutilized development entitlements. The ordinance identified five specific areas within the downtown as receiving sites, including other areas within the downtown core, SoBro, and the Gulch. Receiving site developers could purchase or receive development rights as a donation. Transferred floor area could also be used in a receiving site building to exceed the maximum floor area permitted under the site's base zoning. However, "the program was destined to fail because there were too many alternative mechanisms by which developers could circumvent the TDR option. SP zoning and other options to obtain additional density meant that the program was never utilized."²² Consequently, in July 2017, Nashville's TDR ordinance was repealed.

While Nashville's ordinance met many of the criteria for a successful TDR program—strong real estate market with significant development pressures, proper receiving zones, and simplicity of transfer—the ability to achieve additional height in the downtown core outside of the TDRs severely devalued the program. The existence of competing programs is at odds with the goal of protecting historic buildings.

²² "Music Row Transfer of Development Rights Feasibility Study," Economic & Planning Systems, Inc., November 2018, page 12.

Financial Tools

TAX ABATEMENT

“ *We are lacking incentives—tax breaks, or carrots.* (Advocates Stakeholder Group)

There are a lot of examples of demolition because there was no way to incentivize preservation. (Developers Stakeholder Group)

Another issue is lack of local tax incentives...there is no equivalent federal tax credit for residential. (Real Estate Stakeholder Group)

Collaborating Entities: MHZC, Codes, Downtown Code Design Review Committee, Mayor’s Office, MDHA, Planning
Effectiveness: Moderate
Complexity: Moderate
Cost to City: Moderate
Stakeholder Approval: High



In typical property tax assessment processes, when an addition or improvement is made to a property, the amount that the improvement has increased the value of the property is reflected in an increased value for tax purposes. A tax abatement defers reflecting the increased value of the property as a result of those improvements for a fixed amount of time. When improvements are immediately reflected in increased taxes, there is often a reluctance to invest to rehabilitate or restore a historic building. Deferring the recognition of the increased value (abatement) can encourage timely reinvestment in historic properties. Typically, the rehabilitation plan is approved by the preservation board and the tax abatement is approved by the taxing entity. These programs are used by many cities across the country and regarded as one of the most cost-effective tax incentive programs for encouraging rehabilitation.

Tax abatement for significantly rehabilitated historic properties is a commonly used tool around the country. Nashville is in the minority, as many other major U.S. cities, such as Austin, Charlotte, Raleigh, Chicago, and Baltimore, as well as neighboring Rutherford County, offer some form of tax abatement for historic properties. Given that stakeholders repeatedly asked for tools and incentives, we recommend Nashville create a tax abatement program for improvements on properties in Historic Preservation Zoning Overlays and Neighborhood Conservation Zoning Overlays. In order to achieve success, the program must be clearly communicated, advertised, and marketed to property owners.

EXAMPLES:

[Rutherford County, TN \(T.C.A. § 67-5-218\)](#)

[Nashville, TN \(legislation drafted\)](#)

[Los Angeles, CA \(Mills Act\)](#)

[Atlanta, GA](#)

ESTABLISH A STATE TAX CREDIT

Collaborating Entities: MHC, MHZC, Mayor's Office, Metro Legal, HNI, NTHP, SHPO, TPT

Effectiveness: High

Complexity: Moderate

Cost to City: Low

Stakeholder Approval: High



Frost Building

Incentives have long been used as a tool to encourage private investment in historic buildings and help stimulate local economies. As of 2020, 37 states have enacted a tax credit for the rehabilitation of historic buildings.²³ Many of these programs are modeled after the successful Federal Historic Preservation Tax Incentives program, which provides a tax credit equal to 20% of the project's qualified rehabilitation expenditures. According to the National Trust for Historic Preservation, while every state's historic tax credit varies slightly, they all share the following core elements:

- Criteria for establishing what buildings qualify for the credit
- Standards to ensure that the rehabilitation preserves the historic and architectural character of the building
- A method for calculating the value of the credit awarded, reflected as a percentage of the amount expended on that portion of the rehabilitation work that is approved as a certified rehabilitation
- A minimum amount, or threshold, required to be invested in the rehabilitation
- A mechanism for administering the program, usually involving the state historic preservation office and, in some cases, the state department of revenue or economic development²⁴

²³ <https://forum.savingplaces.org/Go.aspx?MicrositeGroupTypeRouteDesignKey=9d69f3da-6cb2-4b01-9fc4-487ba92aba0c&NavigationKey=a5ca330a-52fc-496f-af53-ccf86ad51156>

²⁴ <https://forum.savingplaces.org/HigherLogic/System/DownloadDocumentFile.ashx?DocumentFileKey=134639e3-1ac6-cb82-7d9a-80d656b6491e&forceDialog=0>

The majority of state credits are designed to offset state income taxes. Some states, such as Kansas, Kentucky, Oklahoma, and Missouri, allow the credit to be sold or transferred to a third party that has adequate tax liability. These measures ensure that the program is attractive to a variety of different investors.

The State of Tennessee does not tax earned income, but rather income from investments. For this reason, a nonconventional approach will need to be taken in order to enact a state historic tax credit in the State of Tennessee. Of the nine states that do not tax earned or investment income, only one, Texas, offers a state tax credit for the rehabilitation of historic buildings.²⁵

Enacted in 2015, the Texas Historic Preservation Tax Credit Program provides a 25% credit on the project's qualified rehabilitation expenditures, which must exceed \$5,000 to qualify.²⁶ In the absence of a state income tax, the credit is applied against a business's franchise tax or insurance premium tax.²⁷ The program is overseen by the State Historic Preservation Office (Texas Historical Commission) in cooperation with the Texas Comptroller of Public Accounts. Additionally, Texas offers a labor sales tax exemption for work completed on buildings listed in the National Register of Historic Places.

²⁵ Alaska, Florida, Nevada, South Dakota, Texas, Washington, and Wyoming do not impose state income taxes. New Hampshire and Tennessee do not tax earned income, but they do tax investment income. <https://www.businessinsider.com/personal-finance/states-with-no-income-tax-map>

²⁶ <https://www.thc.texas.gov/public/upload/publications/tax-credits-comparison-7242017.pdf>

²⁷ <https://www.thc.texas.gov/preserve/projects-and-programs/preservation-tax-incentives/about-preservation-tax-incentives#State>

Between 2015 and 2018, there were 120 projects that received final approval for the Texas Historic Preservation Tax Credit program, with eligible project costs totaling close to \$1.1 billion.²⁸ The creation of a state historic tax credit has also led to the increased use of the federal historic tax credit program. This practice – using the state and federal historic tax credit programs together – is called piggybacking. Before the state historic tax credit was established, between 2010 and 2013, only 17 federal historic tax credit projects took place in Texas, amounting to \$31.6 million in private investment. However, between 2014 and 2017, 33 federal historic tax credit projects took place in Texas, amounting to \$81.8 million in private investment.²⁹ The Texas Historical Commission estimates that two out of every three state historic tax credit projects piggyback the two incentive programs. By offering a state historic tax credit alongside the federal program, private investment in historic buildings can be maximized, helping to preserve or adaptively reuse more of the state's treasured resources.

In February 2020, the Tennessee Historic Buildings Revitalization Act legislation was introduced in Tennessee. As proposed, the legislation would provide a tax credit between 10-30%, depending on the project's location within targeted geographic regions defined by the Department of Tennessee Economic & Community Development, as well as those in Tennessee Downtowns, Main Street Communities, and Certified Local Governments.³⁰ To attract various types of investors, the credit can be used to reduce Premium taxes, Retaliatory taxes, Income taxes, Property taxes, Business taxes, Sales and Use taxes, and Bank and Financial Institution taxes. Additionally, like Texas, where property owners do not have significant tax liability, the state will issue a tax certificate that is transferrable to an entity with the state tax liability.³¹ As proposed, the program would impose a \$300,000 project cap and a \$6 million annual program cap.

While this introduction of this legislation is a good first step, evidence from other states suggests that low caps, such as the one proposed in Tennessee, can severely limit the program's overall effectiveness. Though Tennessee is wise to consider the potential fiscal implications of such a credit, evidence from other states and the federal tax credit show that historic tax credits bring in private investment that would not have otherwise happened and, in the long-run, returns more to the state than is foregone in revenue.

EXAMPLES:

[Texas Historic Preservation Tax Credit Program](#)

[Texas Administrative Code, Title 13, Part II, Chapter 13](#)

[The Projected Economic and Fiscal Impacts of a Tennessee Historic Rehabilitation Investment Incentive, Economic Impact Group, LLC, February 2014](#)

²⁸ https://www.thc.texas.gov/about/fast-facts#cat_4602

²⁹ <https://forum.savingplaces.org/HigherLogic/System/DownloadDocumentFile.ashx?DocumentFileKey=4751b4b7-cc82-6e76-8c02-6f039d84c4eb&forceDialog=0>

³⁰ Tennessee Code Annotated, Title 4, Chapter 11, Part 1; Title 4, Chapter 17; Title 56, Chapter 4; Title 66 and Title 67, <https://static1.squarespace.com/static/5e0fc955f016e45bff8ab5e0/t/5e3db63fdb5bf24db557b4b2/1581102655834/SB2837.pdf>

³¹ <https://www.revitalizetn.org/legislative-summary>

ADOPTING “USE VALUE” TO DETERMINE ASSESSMENT FOR HISTORIC PROPERTIES

“It’s all about the highest and best use. So when the land is very valuable, it makes preservation very difficult...Something that could work would be [appraising the property based on] the use value of a property rather than the property value. This is authorized under state law, and is utilized by the larger municipalities in Tennessee.” (Metro Representatives Stakeholder Group)

In real estate assessment terms, a property is generally appraised at its “highest and best use.” The simplest definition of “highest and best use” is “the most profitable likely use to which the property may be placed.” This determination would be made by reviewing what is legally permissible, physically possible, financially feasible, and most profitable. Standard appraisal practice also expects that a property will be evaluated both in its highest and best use as improved (meaning land, building, and site improvements) as well as highest and best use of the land as if vacant. When a property is assessed at its highest and best use, particularly in a fast-paced development environment, the land at its highest and best use as if vacant may become more valuable than the land plus the existing building. This creates market forces that encourage tearing down the current building to replace it with a more profitable one. Because historic properties are often in areas under development pressure and/or in areas where the permitted zoning envelope is significantly greater than is currently being used, the traditional approach to appraising may result in the owner paying taxes on land, based on that parcel containing an 8-story apartment building rather than a single family house.

An alternative to the highest and best use approach is a “current use assessment” – the value based on how it is currently in use rather than its highest and best use market value. Often these current use

Collaborating Entities: Finance, Mayor’s Office, Property Assessor

Effectiveness: High

Complexity: High

Cost to City: Moderate

Stakeholder Approval: High

assessment programs are utilized for agricultural and open land. A current use assessment provides owners with an incentive to maintain their property in its current use by lowering the taxes.

Under provisions relating to the protection of open space against speculative development found in Agricultural, Forest and Open Space Land Act of 1976, there is precedent for use valuation:

Tennessee Code Title 67. Taxes and Licenses § 67-5-1008

(a) When a parcel of land has been classified by the assessor of property as agricultural, forest, or open space land under this part, it shall be subsequently considered that its current use for agricultural or timber purposes or as open space used for neither of these purposes is its immediate most suitable economic use, and assessment shall be based upon its value in that current use, rather than on value for some other use as may be determined in accordance with part 6 of this chapter. It is the responsibility of the applicant to promptly notify the assessor of any change in the use or ownership of the property that might affect its eligibility under this part.

There is also precedent for the protection of residential properties against speculative development when zoned for commercial use:

Tennessee Code Title 67. Taxes and Licenses § 67-5-601

(a) The value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values, and when appropriate, subject to the Agricultural, Forest

and Open Space Land Act of 1976, compiled in part 10 of this chapter.

(c)(1) The general assembly finds that the increased market value of certain residential property zoned for commercial use has caused an increase in taxes to the extent that citizens are faced with the necessity of selling dwelling houses in which they have lived for many years. The general assembly finds that present use valuation has been extended to others, and is warranted under certain circumstances to relieve the burden of increased taxation to residential owners.

Some cities, such as Tacoma, Washington, allow current use assessment on open space, farm and timber lands, and historic properties. It is recommended that properties in Historic Preservation Zoning Overlays and Neighborhood Conservation Zoning Overlays be subject to current use valuation. This would be led by the Metro Property Assessor in conjunction with Metro Historical Commission.

EXAMPLES:

[State of Alabama](#)

[Tacoma, WA](#)



Knowledge and Planning Tools

UPDATE PRESERVATION PLAN

“**What tools do you believe would be most effective in responding to [preservation] challenges? Update the citywide preservation plan. The 1998 version was spearheaded by Metro Planning Dept.**”
(Staff Survey)

Nashville and Davidson County has seen tremendous growth and change in the 21st century. The plans that guide growth and development need to be periodically assessed and updated with respect to the pace of change being experienced. That was acknowledged with the creation of the NashvilleNext Plan to help Nashville and Davidson County grow through 2040. With regards to the area’s historic and cultural resources, however, the community is still relying on the Historic Preservation Functional Plan adopted by the Metro Planning Commission in 1998.

The purpose of the Historic Preservation Functional Plan (HPFP) was to implement the goals and objectives of Concept 2010: A General Plan for Nashville-Davidson County which itself was adopted in 1992. Concept 2010 specifically stated the following:

GOAL *Preserve and enhance historically, archaeologically and/or architecturally significant structures and areas.*

Objective 1 *Continue to identify, document and protect historic resources in the county, including individual structures, districts, features and landscapes.*

Objective 2 *Focus on the preservation of cohesive districts so that the functional relationships among the structures may be retained.*

Objective 3 *Coordinate preservation efforts among the appropriate agencies.*

Objective 4 *Seek incentives which encourage the preservation and/or reuse of historic structures.*

Collaborating Entities: MHC, MHZC, Council, Mayor’s Office, Planning, HNI, MDHA, N2N, NCDC, Neighborhood Orgs, NTHP, SHPO, TPT

Effectiveness: High

Complexity: Moderate

Cost to City: Moderate

Stakeholder Approval: High

The HPFP noted that “The current preservation program – comprehensive planning and zoning, a preservation ordinance, historic resource surveys – that has been in place for over twenty years is evaluated in order to recommend those measures that will enable Nashville to best preserve its heritage.” A plan that is over twenty years old that references the previous twenty years of preservation intent should be revisited in acknowledgement of not only the change to the community fabric in that time frame, but also the changes in preservation tools and strategies that now exist.

We recommend that the preservation plan be updated to provide a fresh look at what has occurred in Nashville/Davidson County, what the goals and objectives of the citizens are today regarding historic and cultural resources, and what organizational structures (public, private, non-profit) are needed now to allow for the greatest preservation success.

EXAMPLES:

[Corvallis, OR](#)

[National Alliance of Preservation Commissions \(Several city plans are cited\)](#)

EXPAND HISTORIC PRESERVATION 101 COURSE

“Some people have a hard time imagining how something can be rehabbed and generate money at same time, so it would be useful to come up with ways to show people the potential. If they had someone that could show them examples of things that could be viable options; it’s all about education.” (Commercial Stakeholder Group)

“I’m not familiar with the tax credits, but we need better education.” (Developer Stakeholder Group)

“The challenge is that historic home owners are not aware that designation is a benefit; it’s all about education.” (Real Estate Stakeholder Group)

“What does this mean when they get an easement on the property? What does it mean for the numbers? It would be helpful if I could be educated on how this works so I can help my clients.” (Real Estate Stakeholder Group)

Throughout stakeholder interviews, Nashville was referred to as the “Big Little City.” While many Nashvillians may still think of their town as little, in the last decade Nashville has had the development boom and population growth to rival any large city. Stakeholders also noted that “Nashville’s boom has outpaced organization” on the non-profit front, and nonprofits fill a necessary role in educating and advocating for good preservation practice. Growth as rapid as Nashville’s comes with some growing pains—buildings come down and go up almost overnight to the shock of residents, longer lines at the zoning office, more complicated approval processes, the list goes on. Many residents, small business owners, and even developers are learning as they go through the process. Throughout meetings, the most common recommendation heard was to increase “education.”

Even stakeholder participants were not aware of the existing resources available to them.

Collaborating Entities: MHZC, MHC, Mayor’s Office
Effectiveness: Moderate
Complexity: High
Cost to City: Moderate
Stakeholder Approval: High

Many citizens do not understand the value of preservation economically or socially. Residents have trouble navigating the development process or understanding their rights as citizens to participate in it. Some developers do not know how to make rehabilitation cost competitive with new construction or the financial incentives that exist.

MHC is doing a great job of educating the public on the history of Nashville and good stewardship practices for historic home owners. They already offer brochures, a Nashville 101 series (a course on Nashville’s history), and an Old House Fair (a free day-long festival showcasing new ideas, practical advice, innovative materials, and quality services for owners of historic properties.) In October 2019, the MHC held a Historic Preservation 101 course for realtors and developers which covered regulations associated with historic zoning, common architectural forms and financial incentives. The class was a 4 CE Credits course. However, their formal educational programming efforts to date have not provided this type of education to other stakeholders.

Typically, Metro educates the public informally on these processes through a combination of online resources and responding to questions as they arise. The Metro Historic Zoning Commission offers helpful links and powerpoint presentations on its website with information regarding the application process, submittal requirements, and staff review. While these resources include incredibly useful information, to the first-time homebuyer or small developer without a technical understanding of city process and preservation regulation, they may be difficult to understand. The downside to this

approach is that residents have to know where to find the resources or who to ask. Many people don't know where to begin—when posed with the question “Is there an education resource that tells you who to call for certain questions?” one stakeholder said, “I just call [MHZC staff] and they direct me to who I need to talk to.” While it is certainly the responsibility of the MHC and MHZC staff to answer preservation questions, if the commission can create enough opportunities for citizens to learn about the basics of preservation regulation, they can get ahead of many of these questions. This would build a solid base of preservation knowledge in the broader community.

We recommend that to address the concerns raised by stakeholders, the MHC develop a series of preservation “courses,” similar to Nashville 101 and Historic Preservation 101, that focuses specifically on preservation practice. The program could cover a range of topics—it should start with foundational information on the importance and benefits of historic preservation and the processes of designation, design review, and permit approval. Different sessions could be targeted to the interests of specific stakeholder groups: homeowners, small business owners, developers, neighborhood associations, Metro staff, etc. For neighborhood activists, the session could cover how to effectively advocate during commission hearings or zoning board meetings. For developers, it could cover more technical aspects of preservation economics, finance, and use of tax incentives. For homeowners and real estate professionals, it could cover the basics of buying and owning a property in a designated area or with an easement. For neighborhood associations, the curriculum could simply be the process of developing a Good Neighbor document, as outlined in the recommendation to expand the Good Neighbor Program. For Metro Council, this could be an “onboarding” course given by staff to newly elected members.

Other Metro departments offer training opportunities, many of which can be found in the Metro Business Assistance Office and the Office of Minority and Women Business Assistance. These

departments provide courses that clarify processes like doing business with Metro, contract compliance essentials, and social media training.

The point of this recommendation is to make the work of the MHC more public facing and to demystify its regulatory processes. Rather than waiting for residents to come to the MHC with questions, this type of programming allows the MHC to proactively educate community stakeholders. It is about creating relationships with the community, so that citizens know how to interact with their city staff and what services they can provide.³²

EXAMPLES:

[Marion, NC](#)

[Nashville Office of Business Assistance \(BAO\)](#)

³² It should be noted that any additional programming would require additional staff or partner organizations. However, MHC should create additional programming as the need arises.

HOLD INTERDEPARTMENTAL RETREAT

“**Planning understands older buildings when it comes to egress, but that understanding doesn't translate to zoning and permitting.**” (Commercial Stakeholder Group)

“**All the city departments have gotten very siloed in enforcing their own regulations which makes it very difficult to develop. How do we make the process easier?**” (Developers Stakeholder Group)

“**What tools do you believe would be most effective in responding to challenges? Opening and maintaining communication between development-related departments.**” (Staff Survey)

A major issue that was brought up repeatedly by stakeholders was inconsistent information, enforcement, and regulation/code requirements across Metro departments. It is recommended that staff be as informed about the regulations and procedures of other departments as possible and coordinate with each other to provide a more seamless user experience.

To facilitate this sharing of knowledge, it is recommended that Metro Historical Commission work together with other development-related departments to further mutual understanding of each other's policies and practices. This may take the form of interdepartmental retreats that include employees from the Codes department, fire marshals, public works, etc. By breaking down the

Collaborating Entities: MHC, MHZC, Codes, Mayor's Office, MDHA, Parks, Planning, Property Assessor, Public Works, Water Services, Zoning

Effectiveness: Moderate

Complexity: Low

Cost to City: Low

Stakeholder Approval: Moderate

silos that exist between these various departments, they can begin to understand each other's processes to ensure that the policies of each department do not contradict. Such a retreat would provide an opportunity for the city's various departments to map out the total development process together and figure out where there are inconsistencies between each department's policies. This will help departments work together towards the same end goal. To further facilitate open communication, track progress, and make tweaks to the service delivery system, this retreat would be followed by quarterly meetings.

Community Engagement Tools

DEVELOP A SOCIAL MEDIA STRATEGY

“Audience is too narrow—white, upper class, educated. So the audience needs to be expanded so that we can reach more people.” (Advocates Stakeholder Group)

“In the 1970s, the historical commission sponsored tours (neighborhood and church tours) and they got great press, but today we don’t have a good daily local voice newspaper to raise public awareness.” (Advocates Stakeholder Group)

“If there were no fiscal or political constraints, what tools (incentives, regulations, policies, etc.) do you believe would be most effective in responding to those challenges? Well-informed coverage on social media.” (Staff Survey)

“What is a significant challenge to achieving more and better historic preservation in the Nashville Metro area? Better public relations with the general public.” (Staff Survey)

Over 2 billion people have social media accounts today, so one cannot overstate the importance of a cohesive and consistent online presence. An organization that doesn’t think seriously about its social media marketing is neglecting an essential way that humans consume information in the 21st century. Preservationists are natural storytellers, and so their advocacy translates well to social media. However, the rapid rise in the use of social media has created a cluttered message environment, so groups now have to be creative, strategic, and deliberate about the delivery of their messages online. Metro Nashville and most departments employ multiple social media platforms, aided by social media training provided by the Metro Social Media Team.³³

Collaborating Entities: MHC, MHZC, Mayor’s Office
Effectiveness: High
Complexity: Moderate
Cost to City: Moderate
Stakeholder Approval: High

The MHC operates a Facebook page that gets good engagement and is consistently updated. Their posts highlight historical marker dedication ceremonies, upcoming seminars and public presentations, commission meeting dates, and their own programming. The MHC Foundation also operates the Nashville Sites Instagram, which is a program that creates self-guided, credibly-curated, thematically-based, and mobile-friendly walking tours. However, the MHC does not have any other social media platforms where it promotes its own programs, resources, or activities.

Stakeholders expressed concern that the preservation movement in Nashville has too narrow of an audience and that they are not sufficiently engaging young people. MHC and MHZC staff expressed concern that the commission struggles with public image issues. These problems are not exclusive to Nashville, but represent a larger problem within the preservation movement. While MHC alone cannot solve preservation’s public relations challenges, it can be a part of the solution. Developing a deliberate social media strategy is one way in which this can be achieved.

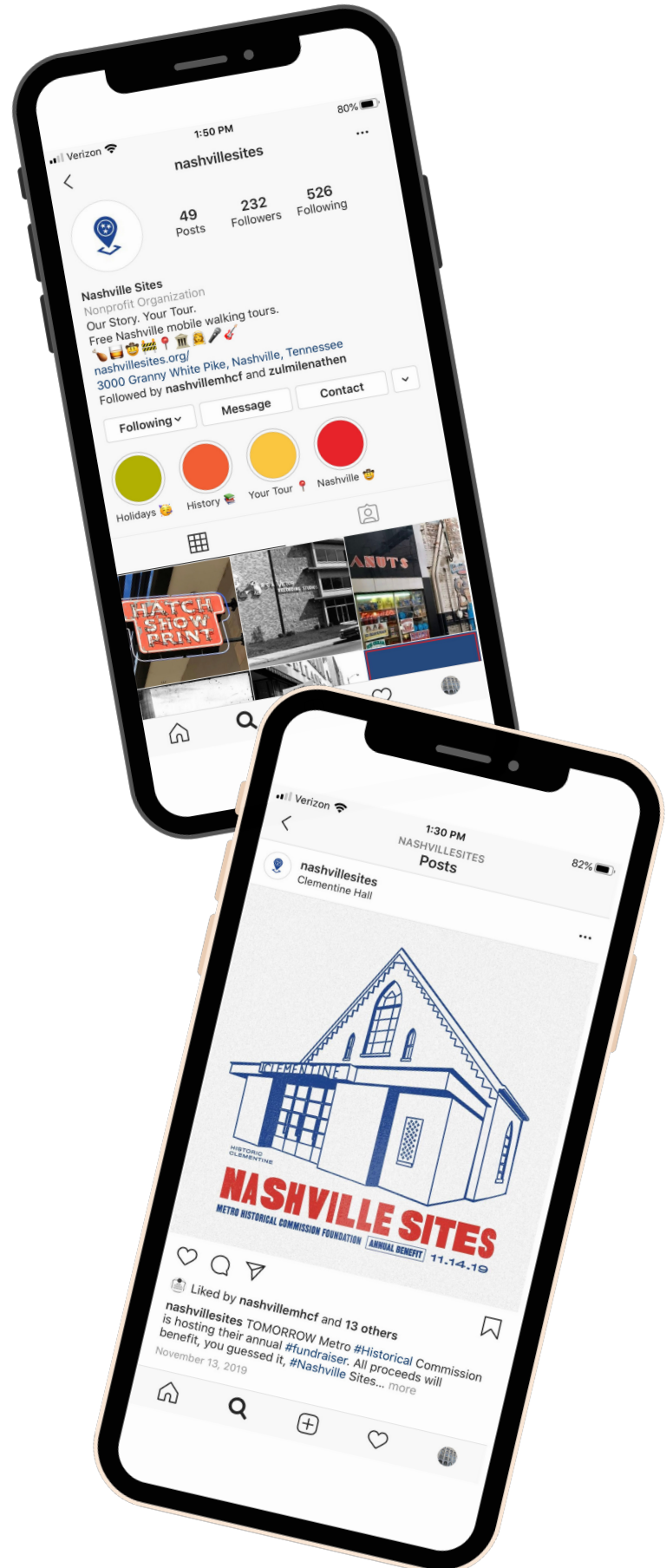
We recommend that the MHC develop a social media strategy. Without recommending what goes into the strategy, we advise that they assess what their communication and public relations goals are and if their current tools are sufficient to reach them. A social media strategy outlines how an

³³ <https://www.nashville.gov/News-Media/Social-Media.aspx>

organization plans to use social media to achieve its goals and the supporting platforms and tools it will employ to do so. At the most essential level, a social media strategy is a basic statement of intent that identifies measurable objectives for using social media and the target outcomes the organization wants to achieve.

Few historic preservation offices have a formal communications plan, but such a strategy is useful to further the department's broader goals. The advantages of using social media include: very low or no hard costs for set-up, instant and potentially wide reach, and many opportunities to listen, engage, and monitor your progress. Departments can build brand recognition by posting frequently, with content that is consistent in tone and quality. Social media can help with volunteer recruitment, informing community stakeholders, and opening up conversations with your following. These all would make MHC more accessible to a wider, younger audience. Social media is a powerful tool only if you have a well-established and engaged following and creating a social media strategy helps build that following.

The San Antonio Office of Historic Preservation and the Huntsville Historic Preservation Commission are two examples of historic preservation offices with strong social media presences. These agencies think seriously about what they post and how to make their work visible. The San Antonio OHP regularly posts on their social media about their walk-in hours, where to find the COA application on their website, the kind of work that requires a COA, community testimonials, and calls for volunteers for their programs. This Historic Commission of Huntsville, Alabama shares Instagram stories of their work in the field or at public meetings. The Tacoma Historic Preservation Commission participated in a social media training with a social media marketing consultant.



EXAMPLES:

San Antonio, TX

[Instagram](#)

[Facebook](#)

[Twitter](#)

[YouTube](#)

[Pinterest](#)

Huntsville, AL

[Instagram](#)

[Facebook](#)

Tacoma, Washington

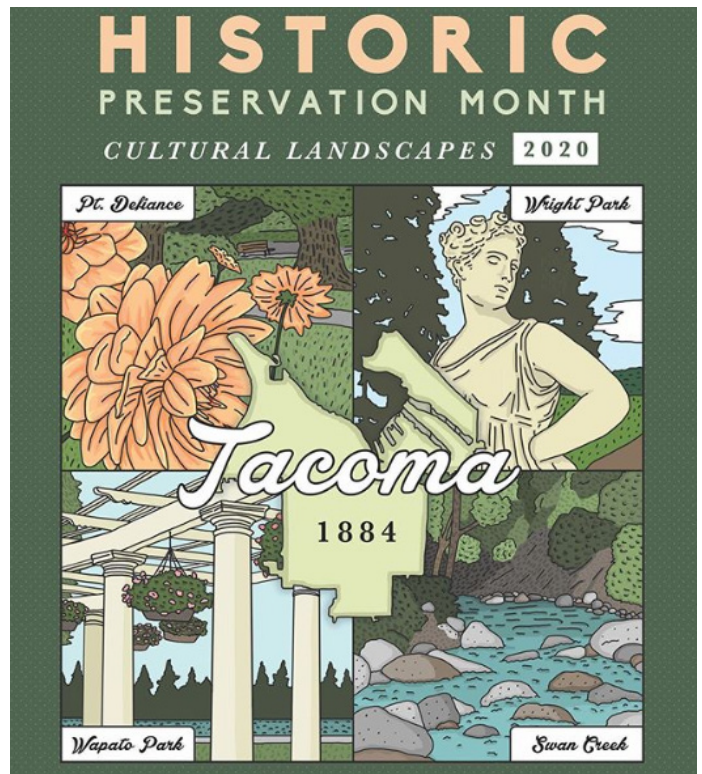
[Instagram](#)

[Facebook](#)

[Twitter](#)



San Antonio Office of Historic Preservation highlighting legacy businesses on Instagram (@sapreservation)



Tacoma Historic Preservation Office highlighting virtual tours on Instagram (@tacoma_culture)

FOSTER GOOD NEIGHBOR PARTNERSHIP PROGRAM

“***We track down the developer and educate them with this document, which has stopped a lot of bad stuff from happening. We invite every developer to meet with the subcommittee before they start a project. We really try to create a relationship with every developer that comes in [to our community].***” (Residential Stakeholder Group)

“***There's a lack of educational opportunities for neighborhoods to understand historic preservation.***” (Staff Survey)

Community members want to see their neighborhoods thrive. Developers want their projects to be successful, and many want to do right by the communities they work in. An excellent way to ensure that both of these goals are met is to create opportunities for early and clear communication between developers and the community. It is in the MHC's long-term interest that these conversations happen, regardless of their involvement, because it allows neighborhoods to advocate for their own community preservation vision, and it provides resources to the developer. The Historic Germantown Neighborhood Association (HGNA) has created a process to educate developers about their community's values and expectations at the outset of project proposals. Nashville is fortunate to have this level of grassroots energy and initiative, and the MHC should support neighborhoods in this effort.

Historic Germantown's Good Neighbor Partnership Program was created with the goal of promoting and sustaining mutually-beneficial working relationships between HGNA and the development community. Through this program, HGNA created a Good Neighbor document, a statement of the community's vision, design expectations, and core values. HGNA wanted to partner with developers to ensure that projects comply fully with all Metro government regulations for new developments, that projects are consistent with Historic Germantown Neighborhood Association's vision, mission, and core values during all phases, and that projects reflect responsible design and environmentally-

Collaborating Entities: MHZC, Codes, Mayor's Office, Planning, Neighbor2Neighbor, neighborhood organizations

Effectiveness: High

Complexity: Moderate

Cost to City: Low

Stakeholder Approval: High

sensitive work practices. Throughout the document, HGNA encourages developers to respect and protect the integrity of Germantown's historic character by practicing sensitive and compatible development and provides information on the resources they can use to do so.

We recommend that Metro Historical, along with other Metro departments, assist Nashville's Neighborhood Associations and other advocacy groups to formulate similar Good Neighbor Documents that are specific to their communities. As mentioned previously, the creation of such a document can be offered as part of the Historic Preservation 101 program recommended above. MHC can develop a "curriculum" or framework for other neighborhood associations that want to institute a similar partnership program. The curriculum would include crafting a mission statement, core values, and design expectations, so that upon completion each neighborhood association could have their own Good Neighbor Document. Though the document is not specifically written by MHC, staff involvement is important, as MHC's expertise will contribute to a more robust preservation document. The point of this program is to empower citizens and neighborhoods to become their own neighborhood advocates, and the MHC should play an active part in that. This process is an opportunity to teach the community about preservation resources and best practices and how to partner with developers for a project that aligns with the goals of the community.

EXAMPLES:

[Historic Germantown Neighborhood Association](#)
[Cane Ridge Community Resource Declaration](#)



SIXTH AVENUE
1237
NORTH

HENRY NE...
190...
HOUSE

Historic Germantown

Direct Action Tools

EXPAND THE HISTORIC PRESERVATION FUND

“Metro has a preservation fund modeled after Knoxville, but no money ever gets out there. There needs to be a robust infusion without it getting taken away.”
(Advocates Stakeholder Group)

Many of the above recommendations will require funding beyond what is likely to be received through the annual budgeting and appropriation process. There are also opportunities for additional proactive preservation activities for which no monies are currently available.

Nashville currently has the Metro Grant Fund for Rehabilitation of Historic Commercial Buildings, which is offered through the Metro Historical Commission and the City of Nashville Office of Economic and Community Development. Metro allocates \$150,000 to the fund annually and administers it for use in Tier-1 census tracts, with grant award amounts ranging from \$5,000 to \$50,000 and covers up to 50% of the total project costs, paid out on a reimbursement basis. This program, while beneficial, does not meet the community's needs. To make the Fund more useful, three things need to happen:

- Expand the Scope – Allow for use beyond just historic commercial properties in Tier 1 census tracts, and for more activities than just grants
- Better Fund – \$150,000 is low compared to comparable cities
- Codify – Create an ordinance to formally establish the goals, procedures, and requirements of the Fund and duties of the Commission that oversees it

Knoxville has a similar historic preservation grants fund that is appropriately funded. Mayor Madeline Rogero created the Historic Preservation Fund with an initial commitment of \$500,000 in the 2014-15 budget, and an additional \$500,000 has been funded by City Council each year since. The fund is similarly intended to help fill financing gaps for renovation of historic properties within city

Collaborating Entities: MHC, Council, Finance, Legal, Mayor's Office
Effectiveness: High
Complexity: High
Cost to City: High
Stakeholder Approval: High

limits. With a population three times smaller than Nashville, Knoxville provides more than three times as much funding for the rehabilitation of its historic resources.

Within Metro, there is another example of a similar dedicated fund. In 2013, through Ordinance No. BL2013-487, the Mayor and Metro Council authorized the Barnes Affordable Housing Trust Fund. The ordinance established the fund, appropriated an initial sum of money, and created the Metropolitan Housing Trust Fund Commission to oversee the fund and assist in providing good quality affordable housing. This fund makes competitive grants available to nonprofit housing developers for the renovation or construction of affordable homeownership and rental opportunities and other supportive efforts to encourage affordability. Initial capital for the Barnes Fund comprised a variety of funds, including money from the Urban Development Action Grant (UDAG) repayments. Initial funding was supplemented by grants, donations and other public and private funds. In 2019, the fund awarded \$9.8 million in grants.

A similar ordinance should be introduced to Metro Council that would formally codify a Metro Historic Preservation Fund. This ordinance would also appropriate an initial sum, as well as either task the Metro Historical Commission, or establish another Commission, to oversee and administer the fund. As with the Barnes Fund, the Commission would have the power to solicit, accept, and receive

gifts of funds, goods, and services donated to the fund. The commission would be tasked with making recommendations to the Council regarding the allocation of funding. At the Commission's recommendation, the Metro Historic Preservation Fund could be used for small grants and loans, building acquisition, speakers for educational programming, etc. As with the Barnes Affordable Housing Trust Fund, the Metro Historic Preservation Fund would be administered by staff from the Mayor's Office of Economic Opportunity.

EXAMPLE:

[Louisville, CO](#)

[Knoxville Historic Preservation Fund](#)

EXPLORE LAND BANKING MODEL

“**Built Environment Goal 5.3: Create a method for preserving historical properties that have been abandoned.**”
NashvilleNext, Vol. IV: Actions

“There’s no level of review when someone has a vacant building. They take it to environmental court and get it demolished. How can we intervene earlier so we can mothball and find another owner?” (Staff Stakeholder)

“What tools do you believe would be most effective in responding to [preservation] challenges? Obviously direct purchase, if the city had the means to buy threatened historic properties.” (Staff Survey)

Collaborating Entities: MHC, MHZC, Codes, Council, Finance, Mayor's Office, MDHA, Metropolitan Housing Trust Fund Commission, Planning
Effectiveness: High
Complexity: High
Cost to City: High
Stakeholder Approval: High

sell or rehabilitate their properties, usually with a development partner.”³⁵

Land banks typically generate funding from a variety of sources, including revenue from the sale of properties, foundation grants, general fund appropriations from local and county governments, and federal and state grants. Some states, such as Michigan and Ohio, have received significant funding from the federal Hardest Hit Funds, while others, like New York and Illinois, have received National Mortgage Settlement Funds. Many land banks acquire property through tax or bank foreclosure, though others can also acquire Real Estate Owned (REO) properties and receive private donations and public land transfers. Some land banks, such as the Newburgh Community Land Bank in Newburgh, New York, have even devised an agreement with the city in which the land bank purchases city-owned vacant properties for \$1 per parcel.

The practice of land banking has been around for decades. However, as the 2008 housing market collapse and subsequent foreclosure crisis took effect, many states and municipalities began to reevaluate the practice as a means of controlling vacant and abandoned properties.³⁴ Land banks are typically governmental or public nonprofit entities, created through local ordinance and granted authority through state enabling legislation, that acquire vacant, abandoned or tax delinquent properties with the goal of eliminating barriers to redevelopment, and then returning them to productive use, most commonly by transferring them to a responsible owner. Based on local land use goals and community needs and priorities, land banks have the authority to “demolish, stabilize,

³⁴ <https://community-wealth.org/content/land-banks-and-land-banking-2nd-edition>

³⁵ <https://forum.savingplaces.org/blogs/special-contributor/2015/11/10/land-banks-and-historic-preservation>

Over a dozen states have passed comprehensive state-enabling land bank legislation, according to the Center for Community Progress, the leading authority on the practice of land banking, as of 2018, there are over 170 land bank programs in operation throughout the country.³⁶ In 2012, Tennessee passed enabling legislation that grants "any local government the authority to create a corporation which is authorized to operate a land bank."³⁷ Since then, three land banks have been established—the Shelby County Land Bank, Oak Ridge Land Bank Corporation, and Chattanooga Land Bank Authority.³⁸

One hurdle that is often encountered when dealing with vacant and abandoned properties is determining who the property belongs to. However, a useful tool to help ease this process is known as "vacant property receivership." In Tennessee, court-ordered receivership of vacant and abandoned properties is allowed through the Neighborhood Preservation Act (NPA), as outlined in the Tennessee Code, Title 13, Chapter 6. After an extensive rewrite in 2018, "the new bill shift[s] receivership actions from a suit against a person to "in rem" cases against the address, which result[s] in a clearer title. It changed the obligation of the receiver [from habitability] to merely stabilization, after which properties [can] be auctioned to prequalified bidders."³⁹ It also allowed receivers to be any entity the court approves, including land banks. This process is typically cheaper and faster than eminent domain, that results in a clear title, liens able to be removed or repaid (depending on acquisition type), and numerous disposition options.

For Nashville, the need for a land bank is not widespread vacancy but the need to have the latest tools for intervening in the real estate market when necessary. Labeling neighborhoods as "blight" and demolishing large swathes of land or taking properties via eminent domain is no longer

considered best practice throughout the US.⁴⁰ We recommend Nashville establish a land bank and incorporate the unique abilities of the organization to meet community goals. For instance, the land bank could be the receiver of an abandoned historic home put under a demolition delay instead of the city taking it through environmental court for demolition. Once transferred to the landbank, the property could be marketed to a new owner who then partners with the Barnes Trust Fund and Preservation Fund to rehabilitate the property for affordable housing.

EXAMPLES:

[Newburgh Community Land Bank \(specializes in historic preservation\)](#)

Tennessee Local Land Bank Program ([TN Code § 13-30](#)) and Neighborhood Preservation Act ([TN Code § 13-6](#))

["Issue Brief: Land Banking to Eliminate Blight & Support Affordable Housing," Tennessee Housing Development Agency, 2016.](#)

36 <https://www.communityprogress.net/land-banking-faq-pages-449.php>

37 <https://law.justia.com/codes/tennessee/2018/title-13/chapter-30/section-13-30-104/>

38 <https://comptroller.tn.gov/content/dam/cot/sboe/documents/tax-incentive-programs/2019LandBankReport.pdf>

39 <https://shelterforce.org/2018/11/13/state-policies-play-a-central-role-in-the-fight-against-vacant-property/>

40 <https://www.usnews.com/opinion/economic-intelligence/2015/11/17/the-injustice-of-eminant-domain>

I BELIEVE
IN



NASHVILLE

DCXY

Mural at Marathon Village, later damaged by a tornado in March of 2020

CONCLUSION

This is an inspiring time to be in Nashville. New residents are moving in that appreciate the beauty and character of the Metro. New businesses are locating there, bringing jobs and economic growth, and new development is changing the landscape of the city in dramatic ways. All of this change is bringing exciting opportunities to Nashville, and even more reasons to love the city. The historic resources should be celebrated and protected for the role they continue to play in making Nashville a dynamic place. While a degree of change should be embraced, the type and quality of that change needs to continually be reassessed, with new tools, strategies, and changes in procedure being considered as the need arises.

Nashville is rightfully proud of its built heritage and justifiably concerned about its future. With a robust survey program, broad designation efforts, efficient permitting review, and an inclusive education program that publicly recognizes and celebrates Nashville's diverse historic sites, the MHC is fulfilling their responsibility to the community by promoting and preserving Nashville and Davidson County's historic resources. The diligent engagement process undertaken for this report is evidence that MHC is committed to finding solutions that address the most pressing preservation issues facing the community.

The tools identified in this report can be used to strengthen Nashville's historic preservation capacity. They are interrelated and represent a balance of carrots and sticks, while also outlining a vision for funding mechanisms that incentivize quality preservation practice. These recommendations identify strategies that make the work of the MHC more visible, accessible, and comprehensible to residents, business owners, elected officials, and developers. Importantly, they build out a toolkit that provides MHC with the instruments needed to enforce existing and proposed regulations and, when necessary, penalize misconduct in order to manage Nashville's new pace and scale of development. With these tools, the Metro can continue to write its story, while ensuring that its historic and cultural assets will be there for generations to come.



Lockeland Springs-East End NCZO

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ABOUT PLACEECONOMICS

PlaceEconomics is a private sector firm with over thirty years experience in the thorough and robust analysis of the economic impacts of historic preservation. We conduct studies, surveys, and workshops in cities and states across the country that are addressing issues of downtown, neighborhood, and commercial district revitalization and the reuse of historic buildings.

We specialize in quality, defensible research, and present findings clearly and effectively in formats that can be understood by academics, economists, mayors, city council members, property owners, and local stakeholders alike.

This report was prepared and written by Donovan Rypkema, Briana Grosicki, Rodney Swink, Katlyn Cotton, and Alyssa Frystak. Rypkema is principal of PlaceEconomics. Grosicki is Director of Research at PlaceEconomics and handled editing. Cotton is a Research Associate with PlaceEconomics and handled graphic design. Alyssa Frystak is a Research and Data Analyst at PlaceEconomics. She collected a nationwide incentives and tools inventory and created a matrix of stakeholder concerns. Stakeholder discussions were led by Rodney Swink, Senior Associate for Planning and Development.

APPENDICES

Appendix 1: Special Purpose (SP) Rezoning Process

Generally, the Planning Commission (PC) reviews use, infrastructure and density, while the Historic Zoning Commissioner (MHZC) reviews massings, bulk standards and details such as materials and elevations for an SP rezoning; therefore, the process of rezoning requires concurrent reviews by both the Planning PC and the MHZC. The general steps are:

1. Preliminary meeting with Planning and MHZC staff. This can be scheduled through the PC or MHZC departments. (optional)
2. Pre-app meeting with multiple metro departments. This should be scheduled through the PC department.
3. File SP rezoning with MPC for review. Plans will be distributed to MHZC for consideration by MHZC prior to Planning Commission consideration.
4. SP preliminary approval by MHZC.
5. SP approval by the MPC.
6. SP approval from Council.
7. Final approval of details and materials by MHZC.
8. Final site plan approval by PC staff, or Commission if case is not eligible for administrative approval.
9. Submit plat at Planning Commission for approval, if necessary.
10. File building permit applications at Codes for distribution to reviewing agencies.

Appendix 2: Metropolitan Historical Commission and Metropolitan Historic Zoning Commission Staff Survey

1. What do you think are the three most significant challenges to achieving more and better historic preservation in the Nashville Metro area? (if you want to list more than three, please feel free to do so).
2. If there were no fiscal or political constraints, what tools (incentives, regulations, policies, etc.) do you believe would be most effective in responding to those challenges?
3. What specific tools have you seen or heard of elsewhere that might be useful in Nashville (please include the city where the tool(s) exist in your answer).
4. Which cities similar to Nashville do you believe have the best overall preservation policies?
5. Please rank the following categories of preservation tools from Most Important (1) to Least Important (5):
 - Regulatory Tools (zoning, permitting, design review, etc.)
 - Public Engagement Tools (community outreach, neighborhoods-based visions/values, etc.)
 - Knowledge and Planning Tools (cultural mapping, impact assessments, etc.)
 - Direct Action Tools (property purchase, public redevelopment, etc.)

Appendix 3: Stakeholder Concerns

Concern	Advocates	Commercial	Residential	Developers	Metro Reps	Real Estate	MHC Staff	HUL Category
Lacking strategically coordinated grassroots efforts/coalitions/partnerships	X		X		X			Community Engagement Tool
Lacking incentives/tools	X	X	X	X		X	X	Financial Tool
Needs to be more done regarding education of public, inspectors, realtors, council members, etc.	X	X	X	X	X	X	X	Knowledge & Planning Tool
Tax credits don't stay in the community (don't benefit the community)	X							Financial Tool
Special Project zoning is too easy for developers to attain	X		X	X	X	X	X	Regulatory Tool
Developers are too powerful/city is too pro-developer							X	Regulatory Tool
City Council given too much authority on zoning despite planning's recommendations	X		X	X		X		Regulatory Tool
Zoning goals in NashvilleNext lacks nuance	X		X	X				Regulatory Tool
No way to protect the perimeter of historic neighborhoods	X		X					Regulatory Tool
Lack of support from local government/ leadership							X	Direct Action Tool
Losing resources before survey efforts are made/need proactive preservation before properties become endangered	X					X	X	Knowledge & Planning Tool

Concern	Advocates	Commercial	Residential	Developers	Metro Reps	Real Estate	MHC Staff	HUL Category
Affordability of housing/land values prevent residents from staying/moving in (displacement)	X		X	X	X		X	Disincentive
Need to have a more flexible approach towards sensitive (sympathetic) increases in density			X	X			X	Regulatory Tool
Limited by state legislature	X		X		X			Regulatory Tool
Local preservation advocacy organizations lack adequate support and staffing	X		X		X	X		Community Engagement Tool
No penalty for demolition; demolition by neglect is unenforceable	X			X				Regulatory Tool
Need to broaden the definition of heritage and what is historic (past National Register listing, or listing for incentives, better recognize intangible heritage)	X		X		X	X		Knowledge & Planning Tool
Need to broaden constituency through engagement with diverse populations, age groups, etc.	X		X		X	X		Community Engagement Tool
Preservation laws/guidelines are weak							X	Regulatory Tool
Need more consistent code enforcement/penalties		X		X		X	X	Regulatory Tool

Concern	Advocates	Commercial	Residential	Developers	Metro Reps	Real Estate	MHC Staff	HUL Category
Metro needs more employees to oversee code enforcement, permitting questions, etc.		X	X	X		X	X	Regulatory Tool
Regulations and building code need to adapt so that they reflect the realities of contemporary living/business competitiveness (common sense regulation) without undue burden on older buildings		X		X		X	X	Regulatory Tool
Code/regulations need to be airtight so that it is predicable and arbitrary decisions can be avoided		X		X				Regulatory Tool
Losing historic houses to businesses that don't necessarily benefit the neighborhood (Airbnb)			X		X			Disincentive
Code allows for generous infill or additions that stress the infrastructure/utilities of neighborhood			X			X		Disincentive
Notification system needs to be improved so residents and organizations have time to prepare for community meetings/hearings			X					Community Engagement Tool
Need to have more opportunities for stakeholder groups to discuss best practices, success stories, challenges, etc.			X					Community Engagement Tool

Concern	Advocates	Commercial	Residential	Developers	Metro Reps	Real Estate	MHC Staff	HUL Category
Expedition of permitting and inspection for historic projects would be beneficial		X		X				Regulatory Tool
Metro departments have become siloed with regards to enforcing their own regulations, making it difficult to develop/work.		X		X			X	Regulatory Tool
Lack of interest/public support for preservation							X	Community Engagement Tool

Appendix 4: Recommendation Evaluation Matrix

Potential Tool	Effectiveness	Complexity	Cost to City	Stakeholder Approval
REGULATORY TOOLS				
Demolition by Neglect	High	High	Moderate	High
Penalties for Illegal Demolition	High	Moderate	Low	Low to High
Mandatory Documentation Before Demolition	Moderate	Moderate	Low	Moderate
Lengthen Demolition Delay	High	Low	Low	Low to High
Increase Demolition Fee	Moderate	Low	Low	Moderate
Fee Waivers	Moderate	Low	Low	High
Modify Downtown Height Bonus Program	Moderate	High	Low	Low to High
FINANCIAL TOOLS				
Tax Abatement	Moderate	Moderate	High	High
Establish a State Historic Tax Credit	High	Moderate	Low	High
Adopt "Use Value" to Determine Assessment	High	High	Moderate	High
KNOWLEDGE & PLANNING TOOLS				
Update Preservation Plan	High	Moderate	Moderate	High
Expand Historic Preservation 101 Course	Moderate	High	Moderate	High
Hold Inter-Departmental Retreat	Moderate	Low	Low	Moderate
COMMUNITY ENGAGEMENT TOOLS				
Develop Social Media Strategy	High	Moderate	Moderate	High
Foster Good Neighbor Partnership Program	High	Moderate	Low	High
DIRECT ACTION TOOLS				
Establish Preservation Fund	High	High	High	High
Explore Land Banking Model	Moderate	High	Moderate	Moderate

Appendix 5: Implementation Strategy (Contributed by MHC)

Potential Tool	Type	Resources Required	Lead Agency	Implementation Timeframe
REGULATORY TOOLS				
Demolition by Neglect	Ordinance Revision	Creation of neighborhood process	MHC	2 years
Penalties for Illegal Demolition	Ordinance	Existing Staff	Codes/MHC	2 years
Mandatory Documentation Before Demolition	Ordinance Revision	Existing Staff	MHC	2 years
Lengthen Demolition Delay	Ordinance Revision	Existing Staff	MHC	2 years
Increase Demolition Fee	Ordinance	Existing Staff; funding for audit	Codes	2 years
Fee Waivers	Ordinance	Existing Staff	Codes	3 years
Modify Downtown Height Bonus Program	DTC Revision	Existing Staff	Planning	2 years
FINANCIAL TOOLS				
Tax Abatement	Ordinance	Existing Staff	Existing Staff	1 year
Establish a State Historic Tax Credit	State Legislation	Fund Lobbyist	Tennessee Preservation Trust/ Tennessee Historical Commission	2 years
Adopt "Use Value" to Determine Assessment	Policy Change	Economic research	Property Assessor	5 years
KNOWLEDGE & PLANNING TOOLS				
Update Preservation Plan	Plan Creation	Existing Staff	MHC	5 years
Expand Historic Preservation 101 Course	Education	Existing Staff; Additional Funding	MHC	2 years
Hold Inter-Departmental Retreat	Policy Creation	Existing Staff	Multi-department	5 years
COMMUNITY ENGAGEMENT TOOLS				
Develop Social Media Strategy	Policy Creation	Existing staff	MHC	1 year
Foster Good Neighbor Partnership Program	Policy Creation	Existing staff; Additional Funding	N2N/Codes	2 years
DIRECT ACTION TOOLS				
Establish Preservation Fund	Funding	Financial Commitment	Mayor/Council	5 years
Explore Land Banking Model	Create Entity	Financial Commitment	Planning/MDHA	5 years

Appendix 6: URL Links to Examples

Demolition by Neglect

Raleigh, North Carolina (Article 11.8)
<https://rhdc.org/preservation-services/demolition-neglect>

San Francisco, CA (Article 10, Sec. 1008–
Compliance with Maintenance
Requirements and Sec. 176–Penalties)
[http://library.amlegal.com/nxt/gateway.dll/California/planning/article10preservationofhistoricalarchite?f=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:sanfrancisco_ca\\$sync=1](http://library.amlegal.com/nxt/gateway.dll/California/planning/article10preservationofhistoricalarchite?f=templates$fn=default.htm$3.0$vid=amlegal:sanfrancisco_ca$sync=1)

Penalties for Illegal Demolition

Chicago, IL (2-120-910)
[http://library.amlegal.com/nxt/gateway.dll/Illinois/chicago_il/municipalcodeofchicago?f=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:chicago_il](http://library.amlegal.com/nxt/gateway.dll/Illinois/chicago_il/municipalcodeofchicago?f=templates$fn=default.htm$3.0$vid=amlegal:chicago_il)

Los Angeles, CA (22.124.240.C1-2)
http://planning.lacounty.gov/assets/upl/data/title22_volumel_CW.pdf#page=465

Laguna Beach, CA (25.45.014)
<https://qcode.us/codes/lagunabeach/>

Mandatory Documentation Before Demolition

Mount Joy, PA (270-117-B(3)(d))
<http://mountjoyborough.com/wp-content/uploads/Historic-buildings-and-historic-preservation-provisions.pdf>

State of Vermont (alternative documentation requirements)
<https://accd.vermont.gov/sites/accdnew/files/documents/HP/Photographic%20Documentation%20Requirements%20for%20Historic%20Resources.pdf>

Lengthen Demolition Delay

Fort Worth, TX
<https://fortworthtexas.gov/developmentservices/historic-preservation/demolition-delay/>

City of Raleigh, NC
https://library.municode.com/nc/raleigh/codes/unified_development_ordinance?nodeId=05-Raleigh-Overlays

Increase Demolition Fee

New Orleans, LA
<https://www.nola.gov/nola/media/One-Stop-Shop/Safety%20and%20Permits/SP-Demolition-Permit-Guidelines.pdf>

Boulder, CO
https://www-static.bouldercolorado.gov/docs/2020_Schedule_of_Fees-1-201912311845.pdf

Fee Waivers

Chicago, IL
https://www.chicago.gov/content/dam/city/depts/zlup/Historic_Preservation/Publications/Permit_Fee_Waiver_Info_Sheet_2014.pdf

Loveland, CO
<http://www.cityofloveland.org/home/showdocument?id=10197>

Boulder, CO
<https://bouldercolorado.gov/historic-preservation/incentives-for-historic-preservation>

Tax Abatement

Rutherford County, TN (T.C.A. § 67-5-218)
<https://rcpatn.com/historical-properties-tax-abatement.html>

Nashville, TN (legislation drafted but put on hold)
<https://www.nashville.gov/Metro-Clerk/Legislative/Ordinances/Details/d13dbdeb-e07e-4ed9-b10e-970050deee1c/2019-2023/BL2019-3.aspx>

Los Angeles, CA (Mills Act)
<https://planning.lacity.org/odocument/e1383c21-ba34-406e-8b2f-438a1417400b/Info%20Brief%20Mills%20Act%20Program.pdf>

Atlanta, GA
<https://www.atlantaga.gov/home/showdocument?id=2913>

Establish a State Historic Tax Credit
Texas Historic Preservation Tax Credit Program
<https://www.thc.texas.gov/preserve/projects-and-programs/preservation-tax-incentives/texas-historic-preservation-tax-credit>

Texas Administrative Code, Title 13, Part II,
Chapter 13
[https://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=4&ti=13&pt=2&ch=13&rl=Y](https://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=4&ti=13&pt=2&ch=13&rl=Y)

The Projected Economic and Fiscal Impacts of
a Tennessee Historic Rehabilitation Investment
Incentive, Economic Impact Group, LLC.,
February 2014
<https://forum.savingplaces.org/HigherLogic/System/DownloadDocumentFile.ashx?DocumentFileKey=8fd46228-1012-7360-3e3c-e66ad204ce12&forceDialog=0>

Adopting “Use Value” to Determine
Assessment for Historic Properties
State of Alabama
<https://revenue.alabama.gov/property-tax/current-use/>

Tacoma, WA
https://www.cityoftacoma.org/government/city_departments/planning_and_development_services/planning_services/regulatory_tools_and_incentives/current_use_assessment

Update the Preservation Plan
Corvallis, OR
<https://archives.cvallisoregon.gov/public/ElectronicFile.aspx?dbid=0&docid=978880>

National Alliance of Preservation Commissions
(Several city plans are cited)
<http://napcommissions.org/preservation-plans/>

Expand the Historic Preservation 101 Course
Marion, NC
<https://hometownmarion.com/growing-entrepreneurs-marion/>

Nashville Office of Business Assistance (BAO)
<https://www.nashville.gov/Finance/Procurement/Business-Assistance-Office/Business-Development-and-Outreach/Past-Training-Sessions.aspx>

Develop Social Media Strategy
San Antonio, TX
Instagram: <https://www.instagram.com/sapreservation/>
Facebook: <https://www.facebook.com/SApreservation/>
Twitter: <https://twitter.com/sapreservation?s=20>
Youtube: <https://www.youtube.com/user/SApreservation>
Pinterest: <https://www.pinterest.com/sapreservation/>

Huntsville, AL
Instagram: <https://www.instagram.com/huntsvillepreservation/>
Facebook: <https://www.facebook.com/HuntsvilleHistoricPreservationCommission>

Tacoma, Washington
Instagram: https://www.instagram.com/tacoma_culture/
Facebook: <https://www.facebook.com/TacomaHistoricPreservation>
Twitter: https://twitter.com/tacoma_culture?lang=en

Foster Good Neighbor Partnership Program
Historic Germantown Neighborhood Association
<https://www.nashville.gov/Portals/0/SiteContent/MHZC/docs/Neighborhood%20partnerships/Germantown%20Good%20Neighbors%20Partnership%20Program.pdf>

Cane Ridge Community Resource Declaration
<https://www.nashville.gov/Portals/0/SiteContent/MHZC/docs/Design%20guidelines%20and%20HB/Community%20Resource%20Declaration%20Version%204%2012Feb2019%20draft%201440%20hrs.pdf>

Expand the Historic Preservation Fund
Louisville, CO
<https://www.louisvilleco.gov/residents/departments/planning-building-safety/historic-preservation/historic-preservation-fund>

Knoxville Historic Preservation Fund
http://knoxvilletn.gov/government/city_departments_offices/housing_and_neighborhood_development/historic_preservation_fund

Explore Land Banking Model

Newburgh Community Land Bank (specializes in historic preservation)

<https://www.newburghcommunitylandbank.org>

Tennessee Local Land Bank Program (TN Code § 13-30) and Neighborhood Preservation Act (TN Code § 13-6)

<https://law.justia.com/codes/tennessee/2018/title-13/chapter-30/>

<https://law.justia.com/codes/tennessee/2018/title-13/chapter-6/>

“Issue Brief: Land Banking to Eliminate Blight & Support Affordable Housing,” Tennessee Housing Development Agency, 2016.

<https://s3.amazonaws.com/thda.org/Documents/Research-Planning/Land-Bank-Issue-Brief.pdf>

SHAPING

NASHVILLE'S

PROGRESS



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Nashville, TN 37204
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www.nashville.gov/mhc



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