

ORDINANCE NO. BL2018-1140

An ordinance amending Title 2 of the Metropolitan Code of Laws and authorizing the creation of a South Nashville Central Business Improvement District for Metropolitan Nashville and Davidson County, Tennessee and to appoint a corporation to act as an advisory board to the district with the necessary powers and authority to carry out the purposes and intent of the district.

WHEREAS, pursuant to the Central Business Improvement District Act of 1990, property owners within a defined central business improvement district in South Nashville, representing a majority of the real property owners and at least two-thirds of the assessed value of all real property within that area, have presented petitions to the Metropolitan Government of Nashville and Davidson County requesting the creation of a South Nashville Central Business Improvement District (the “District”); and

WHEREAS, this effort is the culmination of more than three years of hard work and effort on the part of the numerous individuals and entities to revitalize South Nashville and to redevelop the District with additional retail, office, housing and transportation options; and

WHEREAS, the creation of a South Nashville Central Business Improvement District will enhance the local business climate and help manage the area and ensure that it is properly redeveloped, safe, clean and vibrant and will bring more people to South Nashville to work, live, play, and shop; and

WHEREAS, among the services and improvements to be funded by the District will be a connector road network, other public improvements including water and sewer improvements and the construction of a public greenway, beautification efforts, business recruitment and retention and overall District promotions.

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

Section 1. Title 2 of the Metropolitan Code of Laws is hereby amended by adding the following new chapter relative to the establishment of a South Nashville Central Business Improvement District (“SONA CBID”) and appointing a district management corporation to act as an advisory board to the District with the necessary powers and authority to carry out the purposes of the District:

Section 2.178.010 District Created, Boundary.

In accordance with the provisions of and established pursuant to Tennessee Code Annotated §7-84-501, *et seq.*, there is hereby created a South Nashville Central Business Improvement District (SONA CBID) which shall include all properties within that area of the city bounded and generally described as follows:

Tract No. 1:

Beginning at the east end of Target Drive, being a northwesterly corner of a parcel known as Map 174, Parcel 23; thence northeasterly along the northwesterly line of a parcel known as Map 174, Parcel 23 to the westerly right-of-way of Interstate 24 East; thence southeasterly along the westerly margin of the right-of-way of Interstate 24 East to the westerly margin of the exit ramp to Hickory Hollow Parkway; thence along the westerly margin of the exit ramp to Hickory Hollow Parkway, the southern margin of the entrance ramp to Interstate 24 East, and the westerly margin of the right-of-way for Interstate 24 East to the north margin of Old Franklin Road, being the southeasterly corner of Map 174, Parcel 213; thence westerly, along the north margin of Old Franklin Road to the southwest corner of a parcel known as Map 174, Parcel 24.01; thence along the westerly line of Map 174, Parcel 24.01 to the northwest corner of said Parcel; thence west and south along the north and west parcel lines of a parcel known as Map 174, Parcel 182, to the north margin of Old Franklin Road; thence west along the north margin of Old Franklin Road to the intersection of the east margin of Cane Ridge Parkway as shown on the Plat of Century Farms, of record as Instrument No. 20150917-0094651, Register's Office for Davidson County, Tennessee; thence along the east and north margin of Cane Ridge Parkway as disclosed by said Plat; thence southeasterly, along the west margin of Cane Ridge Parkway to a northeasterly corner of Lot 1, as shown on said Plat, and being a parcel known as Map 174, Parcel 232; thence along the northerly, westerly and southerly lines of said Lot 1 to a southeasterly corner of said Lot 1 and the northeasterly corner of Lot 2 as shown on said Plat, being a parcel known as Map 174, Parcel 233, said corner is also located on the westerly margin of Cane Ridge Parkway; thence along the westerly margin of Cane Ridge Parkway, to the north line of Old Franklin Road; thence westerly, along the north margin of Old Franklin Road to the intersection with the east margin of Cane Ridge Road; thence northwesterly along the easterly margin of Cane Ridge Road and along the southwestly line of a parcel known as Map 174, Parcel 218, to the southwestern corner of Map 174, Parcel 219; thence along the east and north parcel line of a parcel known as Map 174, Parcel 100 to the intersection with the east line of a parcel known as Map 174, Parcel 93; thence along the east and north parcel lines of a parcel known as Map 174, Parcel 93 to the intersection with the east line of a parcel known as Map 174, Parcel 57; thence along the east and north lines of a parcel known as Map 174, Parcel 57, to the east boundary of Cane Ridge Road; thence along the east boundary of Cane Ridge Road, along the westerly parcel line of properties known as Map 174, Parcels 59, 21, 62 and 61, to the southwest corner of a parcel known as Map 163, Parcel 341; thence along the east margin of Cane Ridge Road and continuing along the west parcel line of a parcel known as Map 163, Parcel 341, to the northwest corner of said Parcel 341; thence easterly along the north property line of said Parcel 341 to the intersection with the northwesterly parcel line of a parcel known as Map 174, Parcel 23; thence along the west parcel line of Parcel 23 to the southern margin of Target Drive, being the Point of Beginning.

Tract No. 2:

Being the property known as Map 174, Parcel 38; bounded on the northwest by Old Franklin Road; on the northeast by the westerly margin of the right-of-way of Interstate 24 East; on the south and west by a parcel known as Map 174, Parcel 39.

The above described area contains properties identified as Map 163, Parcel 341; and Map 174, Parcels 21, 23, 24.01, 38, 59, 61, 62, 213, 218, 219, and 233.

Section 2.178.020 Purposes and Mission.

A. The Metropolitan Council hereby finds and declares that the establishment of a SONA CBID will promote the successful revitalization and modernization of the business district within South Nashville, thereby furthering the health, safety, and general economic welfare of Metropolitan Nashville and Davidson County.

B. The purpose and mission of this SONA CBID is hereby declared to be:

To undertake and provide an enhanced level of programs and services not provided by the Metropolitan Government which will help maintain the central business district of South Nashville as a clean, safe, and vibrant place to work, live, shop and play. This should include but not be limited to funding the necessary roadway improvements and maintenance as well as any appurtenances designed to improve access and overall traffic flow, and funding and maintaining other public improvements and appurtenances within the district related to water and sewer infrastructure as well as the development of a public greenway.

Section 2.178.030 Liberal Construction.

This ordinance, being necessary to secure and preserve the public health, safety, convenience and welfare, shall be liberally construed to effectuate its purposes.

Section 2.178.040 Definitions.

A. As used in this ordinance, unless a contrary meaning clearly appears:

1. “Assessed value” means value as assessed for municipal tax purposes.
2. “District” or “South Nashville Central Business Improvement District” or “South Nashville CBID” or “SONA CBID” means the central business improvement district created by this ordinance.
3. “District Management Corporation” means the board or organization created or organization appointed to act as an advisory board for the purpose of making and carrying out recommendations for the use of special assessment revenues, and for the purpose of administering activities within and for the District, and the provision of services and projects within the District.
4. “Initiating petition” means the petition filed in the office of the Metropolitan Clerk requesting the establishment of the SONA CBID.

5. "Owner" means the record owner of real property in fee or a representative of such owner duly authorized to act for and on behalf of said owner.

Section 2.178.050 District Management Corporation.

A. There is hereby authorized a District Management Corporation to be chartered pursuant to the provisions of the Nonprofit Corporation Act of Tennessee for the purpose of administering the special assessment revenues and the activities within the District, the making of improvements within the District, and the provision of services and projects within and for the District.

B. The District Management Corporation shall be governed by a board of directors consisting of at least seven (7) members. At least three members shall be appointed as provided in sub-section C. below. The Mayor of the Metropolitan Government of Nashville and Davidson County shall appoint two of the seven members who shall serve an initial four-year term, after which the board will request that the mayor renew the four-year appointments. The property owners within the District shall appoint the remaining two members who shall serve five-year terms and these two members terms shall be extended beyond the five-year term if debt is issued and has not been repaid. These two members shall be principles of property owners or companies owning property within the District. At the end of these initial terms, these seats shall then be filled at an annual meeting upon nomination by the outgoing board members.

C. The Speaker of the Senate of the State of Tennessee shall appoint the senator whose senate district includes the majority of the area contained within the SONA CBID to serve as an ex officio member and the Speaker of the House of Representatives of the State of Tennessee shall appoint the representative whose house district includes the majority of the area contained within the SONA CBID as an ex officio member. In addition, any member of council whose district includes any of the area contained within the SONA CBID shall serve as an ex officio member. The ex officio members shall serve for the term for which they are elected and shall not be counted in determining the presence of a quorum.

D. Vacancies on the board for elected members shall be filled by the remaining board members present and voting to fill the vacancy.

Section 2. 178.060 District Management Corporation Powers.

A. In furtherance of and not in limitation to the general powers conferred upon a CBID by Chapter 84 of Title 7 of the Tennessee Code Annotated and in keeping with the purposes of the SONA CBID set forth herein it is expressly provided that the district management corporation shall have the following powers which shall be exercised at the discretion of the District Management Corporation acting through its Board of Directors as follows:

1. To acquire, construct or maintain parking facilities;
2. To acquire, construct or maintain public improvements;
3. To acquire real property or an interest therein in connection with a public improvement;

4. To provide services for the improvement and operation of the District to supplement those provided by the Metropolitan Government, as follows:

- a. Promotion and marketing;
- b. Advertising;
- c. Health and sanitation;
- d. Public safety;
- e. Elimination of problems related to traffic and parking;
- f. Security services;
- g. Recreation;
- h. Cultural enhancements;
- i. Activities in support of business or residential recruitment or retention;
- j. Aesthetic improvements;
- k. Professional management, planning and promotion of the District;
- l. Consulting with respect to planning, management and development activities;
- m. Furnishing of music at any public place;
- n. Design assistance; and
- o. Such other services as authorized by Tenn. Code Ann. §7-84-520.

5. To enter into contracts and agreements with other persons or entities;

6. To hire employees or retain agents, engineers, architects, planners, consultants, attorneys and accountants;

7. To acquire, construct, install and operate public improvements contemplated by this Ordinance and all property rights or interests incidental or appurtenant thereto, and to dispose of all real and personal property and any interest therein including leases and easements in connection therewith;

8. To manage, control and supervise:

- a. All the business and affairs of the District;
- b. The acquisition, construction and installation and operation of public improvements within the District; and,
- c. The operation of District services therein.

9. To the extent permitted by law, to borrow money and issue bonds, notes or other obligations for the purpose of paying the costs of public improvements made pursuant to the establishment ordinance, or the refunding or refinancing of any such bonds, notes or other obligations issued pursuant to the authority in Tenn. Code Ann. §7-84-518.

10. To construct and install improvements across and along any public street, alley, highway, stream of water or water course in accordance with state and local laws, rules or regulations; and,

11. To exercise all rights and powers necessary or incidental to or implied from the specific powers granted herein or those granted in Tenn. Code Ann. §7-84-520.

B. All services to the District listed above shall be provided by the District Management Corporation as a service to and in support of the Metropolitan Government and such services are to be paid for out of the revenues from the special assessment. Revenues from special assessments shall be used to supplement and not to pay for the same level of services provided by the Metropolitan Government within the District as are provided throughout the general services district. In no event will the level of services provided to the District be decreased as a result of the enhanced level of services.

C. Initial Improvements: The following improvement programs are examples of work authorized to be undertaken within the District during its first year of operation:

1. Completion of Cane Ridge Parkway and construction of IKEA Parkway and Century Farms Parkway;
2. Provide complete engineering plans to Metro/TDOT for improvements to Exit 60 of Interstate I-24 and construction of the roadways identified above;
3. Improvements to Cane Ride Road; and,
4. Relocating 4 NES circuits.

Section 2. 178.070 Annual Budget.

The District Management Corporation shall annually submit to the Metropolitan Council a financial report and a written report of its activities for the preceding year together with a proposed budget for the next year. The annual budget shall include a projection of revenues from the special assessment and a projection of expenditures for projects, services and activities of the District Management Corporation and shall be reviewed and approved by the Metropolitan Council, or if not approved shall be returned to the Board for revision and resubmission until the Council shall approve the annual budget.

Section 2.178.080 Estimated Costs and Rate of Levy; Special Assessment Procedure.

A. The estimated costs of the initially proposed improvements, services and projects are approximately \$10.948 million during the first year and \$28.5 million over the 20 year term.

B. The initial rate of levy of the special assessment for the SONA CBID shall be 55 cents per \$100 of assessed value of real property for calendar year 2018. Such rate of levy shall continue in full force until changed by the Metropolitan Council in accordance herewith and no change shall occur if debt is secured with the special assessment revenue. A change in the rate of levy may be initiated only by a resolution of the District Management Corporation requesting that the rate be changed. Further, this rate must be approved in an election held by the District Management Corporation by not less than a majority in number of owners of real property in the District voting in said election. In addition, the assessed value of the property in the District owned by all of the persons voting affirmatively must equal or exceed at least two thirds of the assessed value of the property in the District owned by all of the persons voting. Upon receipt of

this resolution from the District Management Corporation, the Metropolitan Council must hold a public hearing on whether there should be a change in the rate of levy for the special assessment.

C. Beginning in 2018, special Assessments shall be levied against all taxable real property within the SONA CBID pursuant to a special assessment roll of all owners of real property within the District as shown in the records of the Assessor of Property for the Metropolitan Government of Nashville and Davidson County.

D. Notice of the special assessment shall be issued simultaneously with tax notices for regular Metropolitan Nashville real property taxes, and revenues from special assessment shall be collected by the Metropolitan Trustee and placed into a segregated account subject to the direction of the Council and the District Management Corporation.

E. Special assessments shall be imposed and collected annually as set forth hereinabove. Changes in the rate or additions to the rate for the assessment may be made only annually pursuant to the process referenced in Section 2.178.080 (B).

F. Penalty and interest in the amount permitted by state law shall be added to any such assessment or installment thereof not paid on or before the date prescribed by the Metropolitan Government of Nashville and Davidson County.

Section 2.178.090 Dissolution of the District Management Corporation.

The District shall be dissolved without further action from the Metropolitan Council on December 31, 2037 assuming there is no outstanding debt, bonds, notes or other obligations payable solely by special assessment revenue levied on real property within the District. However, the District shall not be dissolved if there is outstanding debt or if prior to that date the Metropolitan Council by ordinance determines that the District should be continued and a petition that satisfies the requirements of the Central Business Improvement Act, Tenn. Code Ann. §7-84-501 *et seq.* is filed requesting that the District continue. Upon dissolution of the District, any unencumbered assessment proceeds remaining under the control of the District shall be disbursed to the owners of District real property pro rata based upon the amounts of the respective assessments.

The Metropolitan Council may dissolve the SONA CBID upon receipt of a written petition filed by the owners of either 75% of the assessed value of the property in the District based on the most recent certified city property tax rolls or 50% of the owners of record within the District.

Section 2. The Metropolitan Council of the Metropolitan Government hereby authorizes the Mayor to execute a memorandum agreement between the Metropolitan Government and the District Management Corporation specifying the level of services currently being provided and making assurances consistent with the Ordinance. The Director of the Department of Finance shall approve the method of collection, administration and distribution of the special assessment revenue.

Section 3. This Ordinance shall take effect from and after its final passage, the welfare of the Metropolitan Government of Nashville and Davidson County requiring it.

INTRODUCED BY:

Jacobia Dowell
Member of Council