



METROPOLITAN HISTORIC ZONING COMMISSION
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**HISTORIC TAX EXEMPTION REPORT
FOR METROPOLITAN COUNCIL
FROM METROPOLITAN HISTORIC ZONING COMMISSION
November, 2024**

The Historic Tax Exemption Program is a local property tax incentive, enabled by T.C.A. § 67-5-218, that encourages the preservation of historic properties in Nashville and Davidson County. The third annual report from the Metropolitan Historic Zoning Commission to the Metropolitan Council documents the FY 2024 approved projects.

Background:

On July 21, 2021, the MHZC approved a management plan pursuant to BL2019-3 that amended Metropolitan Code Chapters 5.20 and 17.40 to authorize the Metropolitan Government of Nashville and Davidson County to come under the provisions of Tennessee Code Annotated Section 67-5-218 and establish a Historic Property Review Board. The management plan was established with the agreement of the Davidson County Assessor of Property and Office of the Metropolitan Trustee.

The Metropolitan Historic Zoning Commission is empowered to approve applications and certifications that allow for the exemption of property taxes where certain improvements or restorations will be made to historic properties (Proposal No. 2019Z-018TX-001). The program was further amended by BL2021-864 and BL2022-1382.

- Establishment of Review Board-BL2019-3: An ordinance amending Metropolitan Code Chapters 5.20 and 17.40 authorizing the Metropolitan Government of Nashville and Davidson County to come under the provisions of Tennessee Code Annotated Section 67-5-218 and establishing a Historic Property Review Board empowered to abate property taxes relating to certain improvements or restorations made to historic properties (Proposal No. 2019Z-018TX-001). (Sponsored by Syracuse, Murphy, Hancock, O'Connell, Allen, Suara, Taylor, Bradford, Vercher, Porterfield)
- Establishment of Local Program-BL2021-864: An ordinance amending Metropolitan Code Chapters 5.20 regarding the exemption of property taxes for certain improvements or restorations made to historic properties as authorized under the provisions of Tennessee Code Annotated Section 67-5-218 The

legislation added a cap and an expiration date. Final action on 9/22/2021.
(Sponsored by: Syracuse, Mendes, Bradford, O'Connell, Benedict, Hancock)

- Revision of Local Program-BL2022-1382: An ordinance amending Metropolitan Code Section 5.20.100 regarding the exemption of property taxes for certain improvements or restorations made to historic properties as authorized under the provisions of Tennessee Code Annotated Section 67-5-218. This legislation revised the cap and required an annual report from the Metropolitan Historic Zoning Commission to Metropolitan Council. Final action on 9/20/22.
(Sponsors: Syracuse, Allen and Hancock)
- In 2024, the MHZC revised the program to have a monthly deadline, rather than an annual deadline to better meet the varied schedules of projects.

2024: No new applications. Work on the previously approved projects has not begun; therefore, no inspections have been made.

On February 21, 2024 the Metro Historic Zoning Commission approved a revision to the Historic Tax Exemption program to allow for a monthly deadline rather than an annual deadline. This will allow projects to qualify even if their construction schedule does not line up with the previous annual deadline date of each July.

2023 Awards: Two applications were made in the second year of the program. Both were found to qualify, and both were approved at the requested amounts. The project on 2nd Avenue N was divided between the cumulative cap and the annual cap to allow for the retention of more of the 40 million cumulative cap for expected future projects.

40 Million Cumulative Cap for Second Avenue North 2020 Bomb Damaged Properties

- a. Location of Property: 101 Church Street, 09302401700
- b. Pre-renovation investment value of the property: \$8,000,000
- c. Post-renovation value of the property: Not available until the first assessment after the completion of the project.
- d. Amount of the tax exemption: \$1,889,502
- e. Amount of tax liability: \$108,268.80
- e. Summary of project: To repair façade, windows, interior damaged by 2020 Christmas bomb.
- f. Long term protection of historic property gained: This property was already protected by being a contributing building in the Second Avenue Historic Preservation overlay; however, without this assistance a demolition permit might have been requested. Repairs to this building greatly exceed the amount of the request.

Remaining 40 million cap: \$26,110,498

20 Million Annual Cap

- a. Location of Property: 101 Church Street, 09302401700
 - b. Pre-renovation investment value of the property: \$8,000,000
 - c. Post-renovation value of the property: Not available until the first assessment after the completion of the project.
 - d. Amount of the tax exemption: \$17,700,000
 - e. Amount of tax liability: \$108,268.80
 - f. Summary of project: Interior and exterior rehab to use the former hostel as a hotel with two bars
 - g. Long term protection of historic property gained: This property was already protected by being a contributing building in the Second Avenue Historic Preservation overlay; however, without this assistance a demolition permit might have been requested. Repairs to this building greatly exceed the amount of the request.
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- a. Location of Property: 1926 10th Ave N, \$2,300,000
 - b. Pre-renovation investment value of the property: \$973,500
 - c. Post-renovation value of the property: Not available until the first assessment after the completion of the project.
 - d. Amount of the tax exemption: \$2,300,000
 - e. Amount of tax liability: \$12,671.08
 - f. Summary of project: Interior and exterior rehab to use the former church as offices
 - g. Long term protection of historic property gained: This property is now has a Historic Landmark Overview.

2022 Awards: Two applications were made in the first year of the program. Both were found to qualify, and both were approved at the requested amounts.

40 Million Cumulative Cap for Second Avenue North 2020 Bomb Damaged Properties

- g. Location of Property: Rhea Building, 166 Second Ave N, 09306206700
- h. Pre-renovation investment value of the property: \$5,390,600 as of 2022 appraisal year
- i. Post-renovation value of the property: Not available until the first assessment after the completion of the project.
- j. Amount of the tax exemption: \$12,000,000
- e. Amount of tax liability: \$74,792.64
- k. Summary of project: To repair and partially reconstruct brick façade, damaged by 2020 Christmas bomb.

- l. Long term protection of historic property gained: This property was already protected by being a contributing building in the Second Avenue Historic Preservation overlay; however, without this assistance a demolition permit might have been requested. Repairs to this building greatly exceed the amount of the request.

20 Million Annual Cap

- d. Location of Property: Geddes Firehall, 627 President Ronald Reagan Way, 09311015900
- e. Pre-renovation investment value of the property: \$1,328,500 as of 2022 appraisal year
- f. Post-renovation value of the property: Not available until the first assessment after the completion of the project.
- d. Amount of the tax exemption: \$1,400,000
- h. Amount of tax liability: \$17,472.42
- i. Summary of project: Interior and exterior repairs to rehab the building into a restaurant/brewery.
- j. Long term protection of historic property gained: This property is now protected by being in a Historic Landmark district, application of which is one of the requirements of the program.

FY 2025 Possibilities:

170 2nd Ave N, 09306206600, this property includes the 4 historic properties most heavily damaged by the 2020 bomb.

176 2nd Ave N, 09302401900

178 2nd Ave N, 093024A00100

184 2nd Ave N, 09302401500

101 Church Street, 09302401700

Multiple properties on Rutledge Hill

330 Charlotte Avenue, Morris Memorial Building

Elliston Place Rock Block

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