

## **CLARKSVILLE CENTER REDEVELOPMENT PLAN (REDEVELOPMENT DISTRICT)**

### **FREQUENTLY ASKED QUESTIONS**

*What is a redevelopment district and why do we need it?*

A redevelopment district is allowable by state law so that cities and counties can provide incentives for property owners and developers to clean up blighted parts of the community. In most communities there are sections that were once thriving residential, commercial or industrial areas that, due to growth of the suburbs, are now old, rundown, and in some cases abandoned. The redevelopment district would target those areas for new life by allowing someone to make public improvements such as roads, utility upgrades, or public spaces, in order to “redevelop” the property to something more useful. The finished project could result in new neighborhoods and new jobs created by “reusing” land that is mostly in a state of disrepair.

*What are the geographic boundaries of the district?*

The district runs along the Red River to the north, paralleling Kraft Street, to the west along Riverside Drive to Crossland Avenue, the southern and eastern edge runs along the railroad bed back toward the river, near the Red River Bridge. It encompasses the traditional commercial and industrial areas along Kraft Street that were once a thriving job center for the community. The district also takes in many residential areas such as Dog Hill, Emerald Hills, Red River district, and the neighborhoods near Valley Brook Park. A map is attached.

*Will it cause my property taxes to go up?*

No. Nothing in the redevelopment district plan requires local governments to spend money that would affect the property tax rate. In fact the ordinance would be a benefit to the city and county because a property owner or developer would spend their own money to make improvements, such as roads, around their new project.

*What are the responsibilities of the redevelopment district board and who are the members?*

There will be a Redevelopment District Board with eight (8) members, one (1) member to be appointed by the County Mayor, one (1) member to be appointed by the City Mayor, (1) member to be appointed by the Housing Authority, one (1) member who resides in public housing to be appointed by the Housing Authority as a public housing representative, one (1) member to be from the Downtown District Partnership, one (1) member to be appointed by the Clarksville/Montgomery County Regional Planning Commission, one (1) member shall be a representative of Austin Peay State University as designated by the President, and one (1) member to be appointed by the Mayor and approved by the City Council who is a private citizen with a development and private finance background. The Redevelopment District Board shall review and approve redevelopment projects as being in conformance with the Redevelopment District Plan and any applicable design guidelines, and zoning and code requirements, approve developer agreements, approve Tax Increment Finance loans, recommend to the Regional Planning Commission the rezoning of property, if necessary, recommend the adoption of additional land use regulations, if needed, and recommend acquisition of property by the Housing Authority, if necessary.

*What is Tax Increment Financing (TIF)?*

Tax Increment Financing, commonly called TIF, is a way cities and counties can offer incentives for projects to make public improvements, such as roads and utility upgrades, by using a portion (increment) of the improved property tax collections on a piece of property after the construction is finished.

**Example**

Mr. Jones owns a piece of property in the district that he currently pays \$1000 per year to the city for property taxes. He wants to build a small apartment building on the site that he has owned for several years. When he completes the new building he will pay \$3000 in property taxes to the city.

He discovers that the water line that runs to the property is too small to provide adequate water pressure. The cost of the new water line will be \$10,000 to upgrade. Instead of the Gas & Water Department paying for the new water line, Mr. Jones can submit an application to the Redevelopment District Board to use TIF to pay for the water line.

TIF allows Mr. Jones to go to his bank, get a 10 year mortgage to pay for the construction of the new building including the \$10,000 for the new water line. If approved, Mr. Jones can use one-half of the additional \$2000, or \$1000, he will pay in property taxes (the “increment”) each year to pay off the debt for improving the water line. He will pay the full \$3000 in property taxes to the city each year, the city will, after he pays, then rebate \$1000 back to Mr. Jones for him to use to pay the note to the bank for the water line. Only the cost of the water line improvement is eligible for TIF, and not the building.

Current Property Taxes paid	\$1000 per year
New Property Taxes to be paid	\$3000 per year

City keeps.....	\$2000 per year
Mr. Jones gets a rebate of.....	\$1000 per year.....to repay the bank loan he received for improving the water line to his project.

**When Mr. Jones pays off his loan to the bank in 10 years, the city will then get the entire \$3000 in property taxes.**

*Does the redevelopment district ordinance give big developers the power to buy my property if I don't want to sell?*

No. State and federal laws prohibit one private individual from taking another private individual's property.

*A family is on a fixed income and has lived in the proposed redevelopment district for many years. Will their property be reassessed right away causing their property taxes to go up?*

All property in Montgomery County is reassessed every 4 or 5 years which, in some cases, could mean increased property values. The good news is that increased property values mean the family is building personal wealth, but nothing will happen right away. Over time, whenever a neighboring property is sold and redeveloped; the adjoining properties may increase in price but not always in assessed value.

*Why don't we make the whole city a redevelopment district?*

Not all of the city would meet the state regulations to qualify as a redevelopment district. Plus, there are parts of our community, like the Governors Square Mall area, that do not need incentives for redevelopment. It is believed that when this first district is created and has some success, other areas of the city can be targeted for redevelopment, if the private property owners generally agree.