

CLARKSVILLE CENTER REDEVELOPMENT PLAN FACT SHEET

The City of Clarksville has prepared the following Fact Sheet about Ordinance 73-2005-06, The Clarksville Center Redevelopment Plan, in an effort to address some of the concerns expressed by property owners in the plan area.

CONCERN: The ordinance declares 1,800 properties within the district, except the APSU campus, as blighted. This means that even property meeting all codes standards and buildings that are structurally sound are subject to targeting for redevelopment.

FACT: In order to establish Redevelopment Districts, blight must be present in the area, according to state law. Based on building surveys, building permits and code violations, the area does contain blight.

The actual acreage of the plan area, including APSU, is indicated below.

Total Acreage Within Plan Area	1346.9 +/-
Right-of-Way Acres	-249.0
State of TN Acres	-171.9
City of Clarksville Acres	-79.2
Housing Authority Acres	- 30.8
Montgomery County Acres	- 8.6
CBID Acres	- 353.9

(Not including City, County, State Acres)

Remaining Acreage 453.5 +/-

Over \$225 million dollars have been directly invested in the area since the tornado of 1999. This indicates that the entire area is not blighted. The description of the area indicates there are historic and landmark properties that are not blighted. The ordinance clearly states as an objective that residential developments within Dog Hill, Emerald Hills, Red River and Brandon Hills will be preserved and protected from incompatible uses. This again indicates that the entire area is not blighted.

CONCERN: The ordinance makes properties within the district subject to condemnation and would allow them to be “given” over to private developers.

FACT: The CCRP does allow for the acquisition of land through negotiation with property owners, so condemnation is not the only method by which property may be acquired for redevelopment. State and federal law prevents private individuals from taking another private individual’s property, therefore property owners do not have to sell their property to a developer if they do not desire to do so.

The CCRP Ordinance provides more protection for property owners in the plan area than existed prior to the ordinance. Any redevelopment project within the area relevant to eminent domain would require several layers of review and approval beginning with a recommendation from the Redevelopment District

Board. **First**, it would require approval of the Clarksville Housing Authority. **Second**, it would require a public hearing. **Third**, it would require approval by the Clarksville City Council, and **fourth**, approval by the Montgomery County Commission. A NO vote by any one of these governing bodies would kill the proposal.

Prior to passing the CCRP Ordinance, the law allowed for condemnation of property by the Clarksville Housing Authority, Clarksville City Council, or Montgomery County Commission independently of one another at any time provided they conduct a public hearing.

CONCERN: Tax Increment Financing eases the tax levy for developers and shifts the burden to homeowners and other taxpayers in the city.

FACT: While Tax Increment Financing, or TIF, does relieve property owners of a portion of the tax levied on their property for a specified period, it does **not** shift the burden to other taxpayers in the area or within the city.

TIF's are paid to property owners in the form of a rebate of collected taxes on redeveloped properties for infrastructure improvements related to the redeveloped property. The rebate rate is **50% of the increase** in levied taxes.

For example, Mr. Jones owns a piece of property in the district that he currently pays \$1,000 per year to the city for property taxes. He wants to build a small building on the site. When he completes the new building he will pay \$3,000 in property taxes to the city.

He discovers the water line that serves the property is too small to provide adequate water pressure. The cost of the new water line will be \$10,000 to upgrade. TIF allows Mr. Jones to go to his bank and get a 10 year mortgage to pay for the construction of the new building including the \$10,000 for the new water line.

He will pay the full \$3,000 in property taxes to the city each year, the city will rebate \$1,000 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 the TIF, and not the building.

<i>Current Property Taxes Paid</i>	<i>\$1,000 per year</i>
<i>New Property Taxes Owed</i>	<i>\$3,000 per year</i>

	<i><u>difference =</u></i>
<i>City Keeps</i>	<i>\$2,000 per year</i>

	<i><u>divided by two =</u></i>
<i>Rebate to Mr. Jones</i>	<i>\$1,000 per year</i>

When Mr. Jones pays off his loan to the bank in 10 years, the city will then keep the entire \$3,000 in property taxes annually.