

RESOLUTION 23-16

A RESOLUTION OF THE CITY OF SPRING HILL, TENNESSEE, REQUESTING THAT THE INDUSTRIAL DEVELOPMENT BOARD OF SPRING HILL, TENNESSEE, EXPLORE A POTENTIAL TAX INCREMENT INCENTIVE FOR THE DEVELOPMENT OF THE CROSSINGS

WHEREAS, The Industrial Development Board of Spring Hill, Tennessee (the "Board") is a public, nonprofit corporation organized and existing under, and by virtue of, the provisions of Chapter 53, Title 7, Tennessee Code Annotated, as amended (the "Act"); and

WHEREAS, the purpose of said Act, as stated therein, being to authorize the incorporation in the several municipalities in the State of Tennessee of public corporations to finance, acquire, construct, own, lease, equip and/or dispose of properties to the end that such corporations may be able to, among other things, maintain and increase employment opportunities by promoting industry, trade, commerce, tourism, and recreation by inducing manufacturing, industrial, governmental, educational, financial service, commercial, and recreational enterprises to locate or to remain in the State of Tennessee; and

WHEREAS, SouthStar, LLC, of 1620 Westgate Circle, Suite 170, Brentwood, TN 37027 or its affiliate (the "Company"), has acquired property for development located at XX Kedron Road, Spring Hill, Tennessee (the "City"), into a significant mixed use development, including a combination of the Tennessee United States Tennis Association regional competition site and retail, restaurant, office, hotel, medical office, senior living, apartment and single family residential uses, together with related amenities and public improvements (collectively, the "Development"); and

WHEREAS, the construction, acquisition, owning, and leasing of the Development is expected to increase the tourism activity and livability of the area, create an area that has an identity and a meaningful sense of place that would benefit the community, and maintain or increase employment in the area while also improving the tax base of the City and Spring Hill, Tennessee; and

WHEREAS, the Spring Hill Board of Mayor and Alderman desires to confirm its interest in encouraging the company to undertake the development and the exploration of potential tax increment incentives to defray a portion of the cost of the public infrastructure therefor.

NOW THEREFORE, BE IT RESOLVED by the Spring Hill Board of Mayor and Alderman, as follows:

1. That, City of Spring Hill hereby requests and encourages the Board to explore the potential adoption of an economic impact plan for the area benefitted by the Development, and the granting of a tax increment incentive to the Company to induce the Company to and assist the Company in undertaking the Development (the "Tax Increment Incentive"); and

2. That the Mayor, the City Administrator and all departments and agencies of the City of Spring Hill, Tennessee, are hereby authorized and directed to take such further actions as are deemed necessary or advisable to carry out the intent and purposes of this Resolution.

Adopted this 17th day of January, 2023.



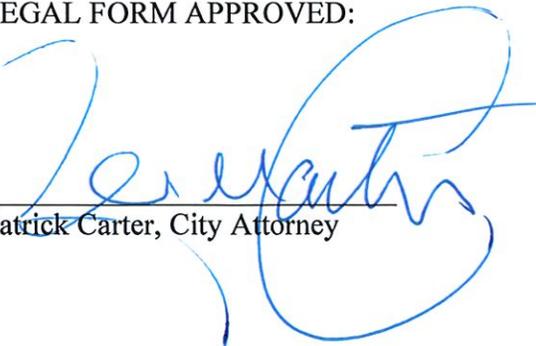
Jim Hagaman, Mayor

ATTEST:

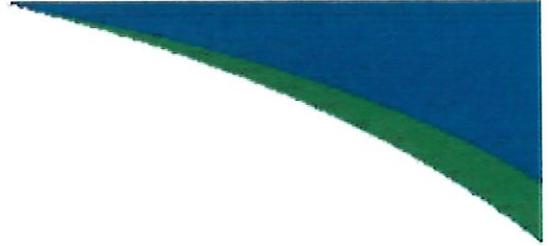


April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney



STAFF MEMORANDUM

TO: Board of Mayor and Alderman
FROM: Pamela S Caskie, City Administrator
DATE: December 28, 2022
RE: Request for the IDB to consider a TIF request

We have received our first letter of request for the IDB to consider a Tax Increment Financing program. I have attached the letter to this memo and resolution.

A full economic analysis has been commissioned by the Developer, SouthStar. It will be presented to the attorneys and the public side of the information will be available to the Board. This information is primarily for the IDB.

It is your responsibility to recommend to the IDB that they consider this project for the TIF program.

The Sales Tax generated will offset all property tax losses and then some. In addition, there are several hotels included in this development which means that will also be additional revenue to the tourism fund.

If you have any additional questions, please contact me.



OFFICE OF THE CITY ADMINISTRATOR

199 Town Center Parkway • Spring Hill, Tennessee 37174

931-486-2252, ext 215

www.springhilltn.org

INPUTS

Appraised Value of Land today:	525,700
Estimated Appraisal Value of Developed Land:	350,000,000
Estimate of Annual Volume of Sales:	100,000,000
Estimated Value of Hotel Taxes	550,237
Assessment Ratio for Property (.00)	40%

ASSUMPTIONS

Term of Financing:	20
Interest Rate on the Financing:	6%
Sales Tax Rate:	1.38%

GO

INPUTS

Appraised Value of Land today:	525,700
Estimated Appraisal Value of Developed Land:	350,000,000
Estimate of Annual Volume of Sales:	100,000,000

ASSUMPTIONS

Term of Financing:	20
Interest Rate on the Financing:	6%

OPTIONS

	Payment Available	
	Tax	Amount of Bonds
Property Tax Increment Financing	\$ 3,664,557	\$ 43,792,854

CITY IMPACTS

Current Revenue lost on Property tax	993,067
Total Revenue lost on Property Tax	19,861,338
Annual Sales Tax Gain	1,375,000
Total Sales Tax Gain	27,500,000
Hotel Tax Gain	550,237
Total Hotel Tax Gain	11,004,740
Total Impact to the City - One year build out	932,170
Total Impact to the City - Total Build out	18,643,402

COUNTY IMPACTS

Current Revenue lost on Property tax	560,314
Future Revenue lost on Property Tax	11,206,270
Current Property Tax lost to School	#REF!
Future Property Tax lost to School	#REF!
Future Sales tax gained by school	1,375,000

Property	Appraised Value	Assessed Value	City Rate	County Rate	County Debt Portion	City Tax	County Tax	County Bill without Debt	Combined Tax Bill	20 Yr Increment Only	20 Yr Increment Total
Current Appraisal	525,700	131,425	0.71	1.91	0.4006	933	2,510	1,984	3,443		
Commercial Development	350,000,000	140,000,000	0.71	1.91	0.4006	994,000	2,674,000	2,113,160	3,668,000		
Increment	349,474,300	139,868,575				993,067	2,671,490	2,111,176	3,664,557	19,861,338	53,429,796

Payment: 3,664,557
Interest Rate: 6%
Term: 20

Bond Value: (\$43,792,854) \$43,792,854

ADR	%	RevPar	Total	Tax	Revenue	
150	150	50%	75	4,106,250.00	0.03	123,187.50
150	175	50%	87.5	4,790,625.00	0.03	143,718.75
150.00	160	50%	80	4,380,000.00	0.03	131,400.00
150.00	185	50%	92.5	5,064,375.00	0.03	151,931.25
						550,237.50

December __, 2022

Via Email: pcaskie@springhilltn.org

Pamela S. Caskie, City Administrator
City of Spring Hill
City Hall
199 Town Center Parkway
Spring Hill, Tennessee 37174

RE: Spring Hill Crossing

Dear Pam:

As we have discussed over the past few months, SouthStar has assembled about 216 acres of real property bordering Saturn Parkway and the Battlefield Trust property, and we anticipate developing a well-planned mixed use series of projects on that site that will include a world class United States Tennis Association facility capable of attracting events from around the region and country (with courts and amenities that will also be available for use by the residents of Spring Hill), together with hotel, residential, office, restaurant and other commercial uses, as well as open spaces and walking trails. We anticipate that these improvements will also attract people to the site of the Battle of Spring Hill.

Now that TDOT has agreed that we can provide ingress and egress from the site to Kedron Road, we are ready to take the next step, which is to request a real property ad valorem tax based Tax Increment Financing (or if needed a tax abatement under a payment in lieu of tax structure), to help fund the cost of the public infrastructure (as defined in the Tennessee TIF Uniformity Act), and other costs.

We look forward to working with you, the City and the County in discussing these programs and the best means of bringing this exciting project to fruition.

Please let me know if you have any questions. We look forward to a mutually beneficial and successful transaction.

SouthStar

By: _____
Name: _____
Title: _____