



SUMMARY REVIEW OF AGENDA ITEMS FOR THE MDHA BOARD OF COMMISSIONERS

May 9, 2023

5a. Ground Lease Agreement with Belmont University

It is recommended that the MDHA Board approve for the Executive Director, or their designee, to execute a ground lease between MDHA (lessor) and Belmont University (lessee). The lease is for a parcel of land at 1411 Caldwell Ave., Nashville, TN 37212, located near Belmont University. The parcel size is 0.24 acres. Belmont University is proposing to use the site as part of a new residence hall. The lease only permits Belmont University for using the parcel to provide housing and related facilities for its students, visitors, faculty, and staff. The lease is for \$800,000 in cash and an estimated \$650,000 in in-kind contributions, via services and programming for MDHA residents.

5b. PILOT – Samuel’s Peak

Samuel’s Peak, LLC has applied for a PILOT to construct a 116-unit affordable housing complex at 0 Sawyer Brown Road (adjacent to 7800 Sawyer Brown Rd.). Samuel’s Peak, LLC has applied for 4% Low Income Housing Tax Credits (LIHTCs) from the Tennessee Housing Development Agency (THDA). If awarded, the tax credits will result in an equity amount of \$22,233,016. When completed, the development will consist of 116 residential townhomes with units ranging between two and four bedrooms. 100% of the units will be subject to income and restrictions, the average income restriction will be no greater than 60% of AMI.

Staff is recommending approval of a PILOT that would have an initial payment of \$17,400 in lieu of property taxes after the project is placed in service. The PILOT would increase by 3% annually over the 10-year life of the agreement. This PILOT payment was based on review of the site’s projected base year taxes, development budget, operating pro forma, and debt obligations. MDHA estimates this to be a tax abatement of approximately \$282,179 for the first year the property is placed in service. This would leave MDHA’s annual abatement capacity at \$1,261,759.