



## Historic District Development Incentives and Assistance

Rev. 7.24.2017

### **Program Name: PILOT (Payment-in-Lieu-of-Tax) Program**

Administering Organization: McMinnville Downtown Revenue Finance Corporation (MDRFC)

#### **Overview**

The PILOT (Payment-In-Lieu-Of-Taxes) Program is a financial incentive to encourage commercial and mixed use real estate development in and around Downtown McMinnville by “freezing” property taxes at the predevelopment level for a predetermined period of time. This incentive is designed to make the cost of building improvements or a new building more affordable for property owners.

#### **How Does It Work?**

After the MDRFC approves your application, the property title is transferred in trust for tax purposes to the MDRFC. Through state law, this transfer allows the tax level to remain at the predevelopment level until the tax freeze period is over. At that time, the title is automatically transferred back to the property owner and full property taxes are reinstated.

#### **Who’s Eligible?**

The PILOT Program benefits those property owners who must make a significant investment in their properties to either renovate or build new construction. To be eligible, an applicant must own the property or have an option or other right to purchase the property. Projects must be located in the Historic District and follow proper design review protocol for the McMinnville Historic Zoning Commission and the City of McMinnville Planning and Zoning Department.

Improvements made to a property must equal or exceed 60% of its Total Market Appraisal (land and improvements) as specified in the most current Value Information found in the State of Tennessee Comptroller of the Treasury Real Estate Assessment Data. Improvements shall include new building construction or a combination of interior and exterior renovation.

#### **What type of work qualifies?**

Please see PILOT program FAQ’s for full list of qualifying work.

#### **Fee Schedule (other fees may apply based on project scope)**

Application Fee	\$100 (one time free, non-refundable)
Project Fee	\$1,000 or 1% of total project costs (whichever is greater)
Closing Costs & MDRFC Counsel Fee	\$750
Annual Lease Payment	\$100 (every year of the approved PILOT term)

#### **Contact:**

For more info on MDRFC, contact the Chamber of Commerce at 473-6611, MDRFC vice chairman Mike Weatherspoon at 212-6498 or by email at [mdrfc@warrentn.com](mailto:mdrfc@warrentn.com).