

Downtown PILOT Program General Program Description

- The maximum allowable term for a PILOT lease shall be seven (7) years.
- PILOT tax abatements will only be awarded to development projects within the existing boundaries of the defined target area of Nashville's urban core that have a minimum twenty percent (20%) set-aside for affordable housing.
- A PILOT tax abatement will not affect the tax on the property for its unimproved value but will reduce the property taxes on the property's improvements.
- A developer must secure approval of a PILOT from the IDB prior to commencing construction of a project in order to be eligible. A developer may commence stabilization, site preparation or utility work prior to receiving approval for a PILOT.
- To be eligible for a PILOT, the value of all new construction, building renovation, and site improvements must be equal to at least 60% of the value of the property prior to the making of any improvements.
- An applicant must own the property or have an option or other right to purchase the property so that it will be able to convey title to the IDB in order to be eligible to apply for a PILOT tax abatement. Conveyance of the property will be required.
- Applications for a PILOT tax abatement must include a five (5) year project pro forma/financial analysis of the project's income and expenses.
- Multi-family residential or housing facility is defined as two or more residential units located in a single building, on one parcel of land or on contiguous parcels of land.
- An applicant will have up to one (1) year from the time of approval by the Industrial Development Board to close a PILOT lease. If the lease has not been closed within that time, the project will be required to be resubmitted, reviewed and approved by the IDB at the next regular scheduled meeting.
- If property subject to PILOT lease is vacant and unoccupied for a period of two (2) years, the lease will be terminated, the IDB will convey the property back to the owner and the property will return to the tax rolls at the current tax assessment and rate.
- All PILOT leases will be closed in the name of the applicant or party designated in the application as the owner of the project. Prior approval of the Industrial

Development Board will be required for substitution of another party as lessee under any PILOT.

- No PILOT lease may be assigned prior to the completion of the project.
- The approval of a PILOT tax abatement is subject to the written approval of the Mayor of the Metropolitan Government of Nashville and Davidson County within fourteen (14) days of the Industrial Development Board meeting where such PILOT is approved.