

April 18, 2007

Mr. Mark Graves, City Recorder
City of Hohenwald
P.O. Box 40
Hohenwald, Tennessee 38462

Dear Mr. Graves

Many Tennessee cities are faced with problems of deteriorating and “run down” appearance of their central business districts or downtown areas. Often business property owners are reluctant to invest in improving properties locating businesses in blighted and deteriorating areas of the city. Following are recommendations for addressing the problems of deteriorating and blighted conditions in the central business district or downtown areas of your city:

1. Your city can create Central Business Improve Districts for making improvements to properties and infrastructure. The Central Business Improvement District assesses the business owners with the costs for improving the properties located within the district. Many business owners resist the assessments for property improvements. TCA 7-84-101-120 et seq. outlines the procedures for creating a central business improvement district.
2. Cities may by ordinance create Inner-City Redevelopment Districts to provide a self financing for public works improvements in the district and use special assessment revenues to pay it back. See TCA 7-84-601.
3. Housing Authorities may act as a Redevelopment Authority under TCA 13-28-201-211. Such authorities are approved to undertake urban renewal projects and issue tax increment bonds to finance redevelopment projects. Blighted property may be acquired, cleared, and assembled for redevelopment. Under tax increment financing, the new tax revenue resulting from a successful redevelopment project is earmarked for public investments that made redevelopment possible. County approval is required unless county taxes are exempted from the tax increment provision.

Rehabilitation or conservation work under TCA 13-20-210 may include:

- a. Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements.
- b. Acquisition of real property and demolition, removal, or rehabilitation of buildings and improvements thereon where necessary to eliminate unhealthy, unsanitary or unsafe condition, lessen density, reduce traffic hazards, eliminate obsolete or other

uses detrimental to the public welfare, or to otherwise remove or prevent the spread of blight or deterioration, or to provide for needed public facilities.

c. Installation, construction, or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out the objectives of the urban renewal project; and

d. The disposition, for uses in accordance with the objectives of the urban renewal project, of any property or part thereof acquired in the area of such project; provided that such disposition shall be in the manner prescribed in state statutes for the disposition of property in a redevelopment project area.

The Redevelopment Authority (Housing Authority) must develop a redevelopment plan for improving the blighted properties. The Housing Authority is authorized under provisions of TCA 13-20-213(b)(1) to delegate or assign to a municipality or other public body any or all of the powers or functions of the authority with respect to the planning or undertaking of an urban renewal project or projects in the area in which such municipality or public body is authorized to act, and/or to assign, transfer, and/or convey to any such municipality or public body any or all of its rights with respect in the one or more urban renewal projects, and such municipality or public body is hereby authorized to carry out or perform such powers or functions in the place and stead of the authority.

The city would need to work in cooperation with the local housing authority in forming a Redevelopment Authority to renovate and rehabilitate properties in the central business district. A redevelopment plan would need to be prepared along with the issuance of tax increment bonds. The Redevelopment Authority would need to be staffed with experienced personnel, including funding for engineering and legal assistance. Most of these expenses could be recovered as part of any feasible redevelopment program.

I am assuming that Hohenwald has a local housing authority. If not, one could be created.

Please call me if I may be of further assistance with the redevelopment of the central business district.

Sincerely

Ron Darden
Municipal Management Consultant