



The City of McMinnville and Warren County jointly offer a property tax incentive to encourage commercial development within the city limits of McMinnville.

The tax incentive is the Tennessee (TCA 4-12-301/305) Payment in Lieu of Taxes (PILOT) Program, which is administered locally by the McMinnville Downtown Revenue Finance Corporation (MDRFC).

The benefit that the PILOT Program provides is that if you decide to renovate, or build a new, commercial property, taxes can be frozen at the predevelopment level for a predetermined time.

For every \$100 that is spent on renovation or new construction, the payment in lieu of taxes will be \$1.5270 less (\$3.8174 "certified" 2020 tax rates at the 40% Commercial appraisal percentage) than the property tax bill would be if the project was not in the PILOT Program. This is an annual reduction for each year the project is in the PILOT Program, which ranges from 5 to 15 years.

If you'd like, we can send you a draft pro forma of the estimated savings your project would achieve if accepted into the PILOT program.

Please note that you must submit a PILOT application (and the PILOT must be approved by the MDRFC Board) before any work starts to be eligible for the PILOT.

If you would like more information on the PILOT Program, you are encouraged to contact me as noted below.

Regards,

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MDRFC, Executive Director

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