

Nancy Stabell, Chair  
Nashville Business Coalition  
4535 Harding Pike, STE 100  
Nashville, TN 37205



Honorable Vice Mayor Shulman and Members of the Metropolitan Council:

After much consideration, the Coalition has determined that while the need for a tax increase is certainly necessary, 32% is incredibly high. Particularly during a time when businesses of all sizes – most of all small businesses - are devastated due to COVID-19 and the tornadoes. Ultimately, we are left with questions:

- Throughout this process, it has been asserted that borrowing options are not on the table. Yet it is unclear why borrowing options like the Municipal Liquidity Facility (MLF) or multi-year state-approved Tax Anticipation Notes (TANS) are not an option for Nashville. If those are not available, have we explored ALL possible borrowing options?
- Furthermore, considering the current pandemic, would a phased-in tax recovery approach be more appropriate, instead of implementing the burden all at once?
- As a council member said in a public meeting recently, “you save when you have money to save, and we do not have money.” The thought that households and businesses would *never* operate with only a few weeks of reserves is false. Right now, many are and have been because they have no other option. So, is it truly necessary to fully load a government reserve or rainy day fund during this time?
- Further, we support transparency surrounding the determination of the Cares Act funding going forward. Particularly we ask, what relief is available for small business owners and families out of work due to the pandemic.
- If property taxes were increased by 32% right now, the result would ideally be a large surplus once the pandemic has ended. What projections are available for that surplus?
- And most importantly, what commitment can be offered to ensure the city will continue investing in education, affordable housing, workforce development, and ensuring Nashville stays a competitive business market when that surplus occurs in the future?

To be clear, the result of a 32% tax increase will be that businesses – many of them small businesses – will be unable to sustain and will close, some families will lose their homes, and rent will undoubtedly increase in a city where housing is already an issue.

While borrowing options like the MLF or multi-year TANS are unprecedented, so is the current climate of our economy, and we implore the Council to explore any alternative options.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Nancy Stabell', written in black ink.

Nancy Stabell, Chair