

Friday, 03/30/07

Developer wants to build city road

By Katrina Cornwell
The News Examiner

City officials are considering a public-private partnership with HALO Properties, a Hendersonville-based development company, to finish the third leg of Tulip Poplar Drive bypass around Nashville Pike.

Once the entire bypass is completed, motorists can use the road as a shortcut to the county administration building, chain restaurants like Chili's and Logan's, big retail destinations like Wal-Mart and Belk, and eventually even more retail offerings in Baker's Crossing, a HALO development in the works.

HALO Properties is currently in the process of moving a number of single-family residences on Nashville Pike to clear the site for the construction of the Baker's Crossing, a project designed around town-square traditions.

HALO describes the development as a community that will feature upscale living, working and shopping.

There will be 450 multi-family homes and 100,000 square feet of office space in Baker's Crossing.

HALO is calling the retail component of the development Jackson's Square, which will feature 60,000 square feet of shopping.

Phase three of the bypass would begin near the Sonic Drive-in on North Belvedere Drive and would loop around through the proposed development out to the main thoroughfare.

Danny Hale, one of the managing partners of HALO Properties, says the city benefits from the partnership because HALO builds the road — to help relieve traffic — without using city dollars.

"If you've ever been down Nashville Pike, morning, noon or evening, there's always congestion along that area," Hale said. "There are also needs for corridors in the city to help move traffic without adding to the problem of the roads."



HALO Properties, LLC
House of Cash Building
700 Johnny Cash Parkway
Hendersonville, TN 37075
Phone: 615-822-3509
www.haloprop.com

The city is on the verge of building phase two of Tulip Poplar Drive, which begins at the intersection of Maple Street and Nashville Pike and loops around the backside of the Gallatin Center shopping mall, home to Goody's Family Clothing.

The city has set aside \$1.5 million for second leg of the project, city records show.

Gallatin is considering HALO's offer to build the third leg of Tulip Poplar Drive through tax-increment financing.

In this financing method, HALO Properties would capture the property taxes in the area of the development to pay for the road construction, which carries a \$3.5 million price tag.

The city would continue to collect taxes on the parcels at the same rate it's receiving now, and when the road is finished would reap the full tax benefit of the increased property values.

The road would be completed in about a year's time, about five years ahead of the city's schedule, Hale says.

"By advancing the construction of the road, it brings in more taxes than would otherwise be collected," Hale said. "These additional tax dollars go to pay the bonds that were issued to pay for the cost of construction.

Since HALO requires no money from the city, there's no risk in the program, he added.

HALO projects the city would rake in an additional \$2.6 million in city sales tax and real estate taxes after the company pays off the bonds on the improved property.

Home Depot owns 14 acres adjacent to the property, but development on the site was put on hold.

"We think with the construction of the road it would precipitate the development of that property," Hale said.

The company recently partnered with Hendersonville to build an \$18 million road through its Indian Lake development.

"It closed yesterday as a matter of fact. It's a tool that a lot of different municipalities are using to promote economic development," Hale said, adding that Nissan's headquarters are being built in Franklin utilizing the same financing.



HALO Properties, LLC

House of Cash Building
700 Johnny Cash Parkway
Hendersonville, TN 37075

Phone: 615-822-3509

www.haloprop.com

Gallatin took no action on the proposal Tuesday night, but the mayor promised to consider the offer again.

"He has given you a handout," Mayor Jo Ann Graves said. "It's a large project. It's something we've never done before. I'm not trying to hold Mr. Hale up, but there are some things we need to look at.

" The project has "merit," she said, adding that city officials will need to study the proposal.