

FOR IMMEDIATE RELEASE
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Atlanta Development Authority Responds to Georgia Supreme Court Ruling on Beltline

ATLANTA --- Today we learned that the Georgia Supreme Court has reversed the Fulton County Superior Court's January 2007 ruling validating bonds for the BeltLine Tax Allocation District. In a unanimous ruling, the Supreme Court specifically held that future funding plans like the BeltLine's violate the Educational Purpose Clause of the State constitution – effectively preventing the inclusion of school district tax increment for the financing of these redevelopment projects.

We are disappointed with this ruling. This decision will reduce the economic impact of all TADs statewide. TADs are a national best practice (known as TIFs, or tax increment financings, in other states) and the City's most effective incentive in helping to revitalize underdeveloped areas of the City. This ruling in essence cuts in half the incentive benefit and may slow redevelopment in the City's targeted areas.

The City of Atlanta currently has ten TADs: Westside Downtown, Atlantic Station, Princeton Lakes, Perry-Bolton, Eastside Downtown, BeltLine, Campbellton Road, DL Hollowell Parkway/MLK, Metropolitan Parkway and Stadium Area.

This ruling will not impact projects funded by TADs where validated bonds are outstanding. Since 1997, bonds have been issued in the Atlantic Station, Princeton Lakes, Eastside and Westside TADs, totaling \$410 million.

This ruling will affect future bond offerings in all of the City's TADs. For example, bond offerings planned for 2008 are the BeltLine, the Perry-Bolton TAD and the third bond offering for the Westside TAD. We will revise the feasibility numbers for the Perry-Bolton and Westside projects to assess the funding implications for each of the proposed projects. ADA will communicate its findings to each development team later this week.

We are committed to moving forward with redevelopment projects in all of the City's TADs. For more information, please see the following web sites:

TIFs as a national best practice:

<http://www.cdfa.net/cdfa/cdfaweb.nsf/pages/cdfabookstore.html>
<http://www.cdfa.net/cdfa/cdfaweb.nsf/pages/cdfabookstore.html>

TADs in Georgia:

http://livablecommunitiescoalition.org/uploads/100012_bodycontentfiles/100578.pdf

2007 year-end report on the City's Tax Allocation Districts:

http://www.atlantada.com/ada_website_qa/buildDev/documents/4Q_2007.pdf

About the Atlanta Development Authority (ADA):

As the official economic development agent for the City of Atlanta, the Atlanta Development Authority is the catalyst for residential and commercial economic vitality in the city.