

**THE CAMPBELLTON ROAD  
TAX ALLOCATION DISTRICT  
PROGRAM DESCRIPTION AND  
APPLICATION FOR FUNDING**

## **OVERVIEW**

### **THE ATLANTA DEVELOPMENT AUTHORITY**

The Atlanta Development Authority (“ADA”) is a public body corporate and politic and an instrumentality of the City of Atlanta to promote the revitalization and growth of the City. It represents a consolidation of the City’s economic and community development efforts in real estate, finance, marketing and employment, for the purpose of providing a focal point for improving Atlanta’s neighborhoods and the quality of life for all of its citizens. ADA is the cornerstone of an overall effort to provide economic and redevelopment services in a more effective and efficient manner.

### **TAX ALLOCATION DISTRICTS**

Also known as Tax Increment Financing (“TIF”), Tax Allocation Financing is a redevelopment and financing tool by which governments can provide financial assistance to eligible public and private redevelopment efforts within an officially designated area or tax allocation district (“TAD”). Increases in property tax revenues, which are generated primarily from new investment in the district, are allocated to pay infrastructure costs or certain private development costs within the TAD. “Pay-as-you-Go” (“Pay Go”) financing is funding to reimburse a developer for costs already incurred as new tax increment is generated. Pay Go structures do not issue tax allocation district bonds like previous Atlanta TADs. The developer is responsible for providing up-front financing for the total project cost. Project funding is contingent upon the satisfaction of policy goals and program requirements. The developer’s financing institution is responsible for underwriting the project, thus assuming all real estate risk.

### **THE CAMPBELLTON ROAD TAX ALLOCATION DISTRICT**

In 2005, the Atlanta Development Authority commissioned a study entitled *Analysis of Incentives to Encourage Investment in Underserved Areas*. The study identified opportunities appropriate for alternative economic development tools to spur redevelopment in areas of the City that have historically suffered from disinvestment. The study ranked the Campbellton Corridor among the top areas in terms of redevelopment potential.

In early 2006, the *Campbellton-Cascade Corridors Redevelopment Plan Report* was conducted for the City of Atlanta on the Campbellton-Cascade area. The Campbellton-Cascade redevelopment plan studied current conditions in the Campbellton Road corridor from Ft. McPherson on the east to County Line Road to the west. Based upon issues and opportunities identified through an extensive research and public involvement process in the marketplace, the following key principles were recommended as a basis for a housing and economic development strategy for the Campbellton Road Corridor:

- Improve the investment environment to attract a “Fair Share” of regional growth
- Preserve and enhance the residential neighborhood character
- Improve the appeal of the commercial areas
- Attract uses at key redevelopment locations to expand employment opportunities (major anchor projects are located along the corridor including Ft. McPherson, Greenbriar Mall, and the BeltLine)
- Stimulate redevelopment through creation of an effective public-private partnership

In 2006 the City of Atlanta passed a resolution creating the Campbellton Road Tax Allocation District, establishing ADA as the City’s Redevelopment Agent and consenting to the inclusion of their ad valorem tax increments created within the District and the application of those tax increments to pay certain qualified redevelopment costs. As Redevelopment Agent, ADA is responsible for promoting positive development within the Campbellton Road TAD and administering the TAD financing process.

The vision for the Campbellton Road TAD is to create a major financial incentive that would support creation of an effective public-private partnership to facilitate the resurgence of the area by encouraging new substantial private investment. The Campbellton Road TAD will help establish the framework for new redevelopment opportunities and investment covering a major arterial linking downtown to the neighborhoods in the southwest of the City and provide an important economic incentive to enhance the market competitiveness of a large area in southwestern Atlanta. The Campbellton Road TAD was established with the goal of spurring private redevelopment activity in the five sub-areas including Greenbriar Mall, Ft. McPherson, and areas to the west in much the same way existing TADs have attracted projects and promoted significant growth and redevelopment in other parts of the City. The proposed TAD incentives will help this key southwest corridor compete aggressively for new development opportunities that might otherwise locate outside of the City.

The TAD area consists of approximately 1,433 acres with 585 individual parcels along Campbellton Road and within five identified development sub-areas. The Campbellton Road TAD encompasses the Campbellton Road Corridor and surrounding areas bordered by the string of industrial properties just east of Lee Street, Langford Parkway (GA Route 166) to the south, and westward to the Atlanta city limit, which is at the intersection of Enon Road on the west and generally extending to the northern edge of properties bordering the north side of Campbellton Road. A map of the Campbellton Road TAD boundaries is attached. The district falls within Neighborhood Planning Units P, R, S and X.

## **ELIGIBILITY & REQUIREMENTS**

### **ELIGIBLE DEVELOPMENTS**

The Campbellton Road TAD is designed to stimulate the creation of a vibrant Corridor extending from Ft. McPherson at the east to the Ben Hill neighborhood on the west side of I-285. The creation of the Corridor, as an integrated commercial core for the community, is envisioned with the redevelopment of the following five key sub-areas:

- Ft. McPherson Village
- DeLowe Village
- Harbin Road
- Greenbriar Mall
- Ben Hill Village

The TAD will help facilitate a mix of residential, retail, office, and research park developments throughout the Corridor. It is anticipated that the development projects will occur in three phases beginning with the 2007 to 2010 phase, and then in two, five-year increments ending in 2020.

Eligible developments will:

- Attract new private capital investment to property located in an area that historically has been underserved
- Create jobs in the professional, business and service industries with substantial new office, research and development and retail development
- Create new shopping, recreation and entertainment opportunities
- Create improved pedestrian access to shopping, employment and regional transportation
- Establish neighborhood gathering places
- Attract new customers for existing local businesses
- Utilize brownfield and vacant/underutilized properties
- Encourage preservation of natural resources

### **KEY POLICY COMPONENTS**

ADA, as Redevelopment Agent for the City of Atlanta is charged with promoting and implementing economic development activities within the City of Atlanta's Tax Allocation District Program. In doing so, ADA will apply the following policies in its role as Redevelopment Agent<sup>1</sup>:

- **Redevelopment Plans:** Approved projects must be consistent with goals and objectives of the applicable redevelopment plan(s).
- **Projects:** The optimal use of public dollars will be sought. Projects proposed for inclusion in the Tax Allocation District Program will be assessed for their economic viability, based in part on current and near term market demand and likely product absorption. Projects based largely on speculative office space, and other high-risk uses, will be less favorably received unless the project would meet a clear public purpose goal.
- **“But For Test”:** ADA will strive to limit TAD funding to those projects that would not be economically feasible without public subsidy. The existence of a project within the TAD area does not automatically entitle the developer to receive TAD proceeds. Projects receiving proceeds may include the foregoing, as well as projects contributing to various public purpose goals and infrastructure improvements consistent with the redevelopment plan. The amount of funding granted to a specific project may vary by project: (a) in order to address public purpose goals; (b) based on the assessment of financial need made by ADA; and (c) other factors as determined by ADA.
- **Equity:** Developer equity, including but not limited to land value and cash at risk, will be invested in the project before TAD funding is made available.
- **Funding:** TAD funding approval should be obtained before start of construction on qualified projects. Unless a specific exception is granted by ADA, TAD funds are disbursed to developers as increment is created.
- **MBE/FBE Utilization:** Developers will use best efforts to comply with the City's Equal Business Opportunity Program<sup>2</sup> with respect to the participation of minority business enterprises, female enterprises, disadvantaged business enterprises and business enterprises located within the City of Atlanta, in all business opportunities which relate to the project.
- **Employment Notification and Recruitment:** Developers shall comply with the City's First Source Job Policy<sup>3</sup>, with respect to the hiring and training of low-income City of Atlanta residents, as administered by the Atlanta Workforce Development Agency.

#### **COMMUNITY BENEFIT REQUIREMENTS**

Fundamental to ADA's mission and criteria for investment are positive community impacts. All projects will include a close analysis of the community impacts and consistency with the public engagement process. ADA favorably looks upon projects that achieve one or more of the following targeted community impacts:

- Create or maintain jobs for Low-Income Persons or residents of Low-Income Communities
- Increase wages or income for Low-Income Persons or residents of Low-Income Communities
- Finance or assist businesses owned by residents of, or otherwise committed to remain in, the Low-Income Communities

<sup>1</sup> All policies and procedures will be consistent with all applicable rules and regulations, including but not limited to city legislation, state and federal tax law, and the Official Code of Georgia, Title 36, Chapter 44.

<sup>2</sup> Code of Ordinances of the City of Atlanta, Part Two Article X, Division 12.

<sup>3</sup> Code of Ordinances of the City of Atlanta, Part Two Article XI, Division 1.

- Finance or assist minority- or women-owned businesses, or businesses owned by Low-Income Persons
- Finance or assist businesses (including non-profit organizations) or real estate projects that provide childcare, healthcare, educational or other benefits to Low-Income Persons or residents of Low-Income Communities
- Facilitate wealth-creation or asset accumulation by Low-Income Persons or residents of Low-Income Communities
- Provide goods and services to Low-Income Persons or residents of Low-Income Communities
- Create certifiable environmentally sustainable outcomes

ADA will use community benefits as a requirement for projects requesting TAD funding and projects will be evaluated based upon positive community impacts as listed above. ADA requires developers and businesses receiving funding to enter into development agreements that detail positive community impacts.

### **CAMPBELLTON ROAD TAD FINANCING PROCESS**

The Campbellton Road Tax Allocation District financing process includes, but is not limited to, the following steps:

1. In order to determine eligibility of a project for TAD financing, interested applicants shall:
  - a. Contact ADA to arrange an initial meeting to discuss the viability of your proposed project.

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- b. Complete the Campbellton Road TAD Application, packaged in 3-ring binders with content, tabs, formatting and order of data identical to that of the attached Application. Three copies of completed applications shall be submitted to ADA, accompanied by the non-refundable application fee. In addition, an electronic version of all materials shall be submitted.
2. Upon receipt of an application, ADA staff will review the application for content and completeness. Incomplete applications will not be processed. (An application will be considered received only when it is complete and the application fee has been paid.) ADA reserves the right to select and employ third party consultants to assist in the analysis and review of the proposed project, its financing and the associated tax increment. The applicant shall pay the cost of such ADA consultants, whether or not the project is constructed.
3. After the application has been reviewed for consistency with City goals, and received an initial favorable evaluation, ADA staff will convene an Advisory Committee Meeting with the Campbellton Road TAD Advisory Committee. Developers are required to attend the Advisory Committee Meeting.

The Advisory Committee's role is to give a recommendation to the ADA Board, which has the authority to approve projects for Tax Allocation District Financing. The Advisory Committee will either recommend TAD funding to support a project or decline the project. (Note: The ADA Board has the authority to approve projects that have not been recommended by the Advisory Committee.)

If the project is not recommended for TAD funding by the Advisory Committee, the Developer may: (1) request that the project be considered by the ADA Board without Advisory Committee support, (2) modify the project and resubmit it to the Advisory Committee at a later date or (3) withdraw the project.

4. After the Advisory Committee issues a recommendation, ADA staff will place the project on the next appropriate ADA Board Meeting Agenda. The Developer will be notified when ADA's Board will consider their project for funding. Developers are required to attend the ADA Board Meeting and be prepared to answer questions from the Board regarding their project.
5. Developers of approved projects will be required to enter into a "Development Agreement" with the City of Atlanta. The "Development Agreement" outlines the relationship between the Developer, ADA, and the City. It also details disbursement of TAD proceeds.
6. ADA and the City of Atlanta's Finance Department will submit the proposed projects for City Council Approval.
7. Application Expiration due to Project Delay: If construction is not commenced within six (6) months of TAD funding approval by the ADA Board, the Application may be declared null and void. In this case, a new application, along with fees, would be required to reconsider the transaction at a later date.
8. Material Project Changes: The amount and timing of TAD proceeds may change if the underlying deal and/or associated sponsorship change materially, regardless of whether the original transaction has already been approved by the ADA Board. At ADA's option, a new application, along with fees, may be required to reconsider a significantly different transaction.

