



Underground Atlanta
86 Pryor Street SW, Suite 300
Atlanta, GA 30303
404.880.4100

THE STADIUM NEIGHBORHOODS 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 STADIUM NEIGHBORHOODS 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 Stadium Neighborhoods among the top areas in terms of redevelopment potential.

The Stadium Neighborhoods Tax Allocation District was created in late 2006 and its basic purpose is to create a major financial incentive that would support the creation of an effective public-private partnership to facilitate the resurgence and redevelopment of the area closest to I-75 and Turner Field by encouraging substantial new development. The TAD would establish the framework for new redevelopment opportunities and investment including portions of the Summerhill and Mechanicsville neighborhoods and provide an important economic incentive to enhance the market competitiveness of the greater Stadium Neighborhoods area. The TAD incentives will allow this key area just south of the Central Business District to compete aggressively for new development opportunities that might otherwise locate outside of the City. The TAD could also stimulate redevelopment throughout all four adjoining neighborhoods including Summerhill, Mechanicsville, Peoplestown and Pittsburg.

The TAD area consists of approximately 391 acres with 671 individual parcels located in the areas around Turner Field. The TAD is roughly bounded by I-20 to the north, Pryor Street to the west, Ormond Street to the south and Connally Street to the east, with some exceptions to exclude new home development. A map of the Stadium Neighborhoods TAD boundaries is attached.

ELIGIBILITY & REQUIREMENTS

ELIGIBLE DEVELOPMENTS

The Stadium Neighborhoods TAD is designed to revitalize the commercial core of the TAD area on Hank Aaron Drive and Georgia Avenue by creating a pedestrian-friendly, mixed-use neighborhood around Turner Field. The redevelopment plan provides an illustration of how redevelopment in the TAD area could unfold, based upon the general strategy of converting surface parking to deck parking and allowing redevelopment to occur on the surplus surface lots and adjacent parcels.

While the specific opportunity envisioned in the redevelopment plan is to use TAD proceeds to fund construction of public parking decks on land owned by the Atlanta-Fulton County Recreation Authority, various private redevelopment opportunities exist for a vibrant mix of office, retail and hotel uses.

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 Agent¹:

- **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 Program² 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 Policy³, with respect to the hiring and training of low-income City of Atlanta residents, as administered by the Atlanta Workforce Development Agency.

¹ 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.

² Code of Ordinances of the City of Atlanta, Part Two Article X, Division 12.

³ Code of Ordinances of the City of Atlanta, Part Two Article XI, Division 1.

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
- 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.

STADIUM NEIGHBORHOODS TAD FINANCING PROCESS

The Stadium Neighborhoods 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.

Wyman Winston
Deputy Director – Tax Allocation Districts
Atlanta Development Authority
(404) 614-8307

Tyrone Rachal
Senior Development Manager – Tax Allocation Districts
Atlanta Development Authority
(404) 614-8339

- b. Complete the Stadium Neighborhoods 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 Stadium Neighborhoods 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.

