

RENEWAL COMMUNITY

WHAT IS IT?

The Atlanta Development Authority markets the Federal Renewal Community, which is managed by ACoRA, Inc. In January 2002, Atlanta was designated by the United States Department of Housing and Urban Development (HUD) as a Renewal Community. Atlanta's Renewal Community (RC) spans an area of just under 200,000 residents and the designation will last through December 31, 2009.

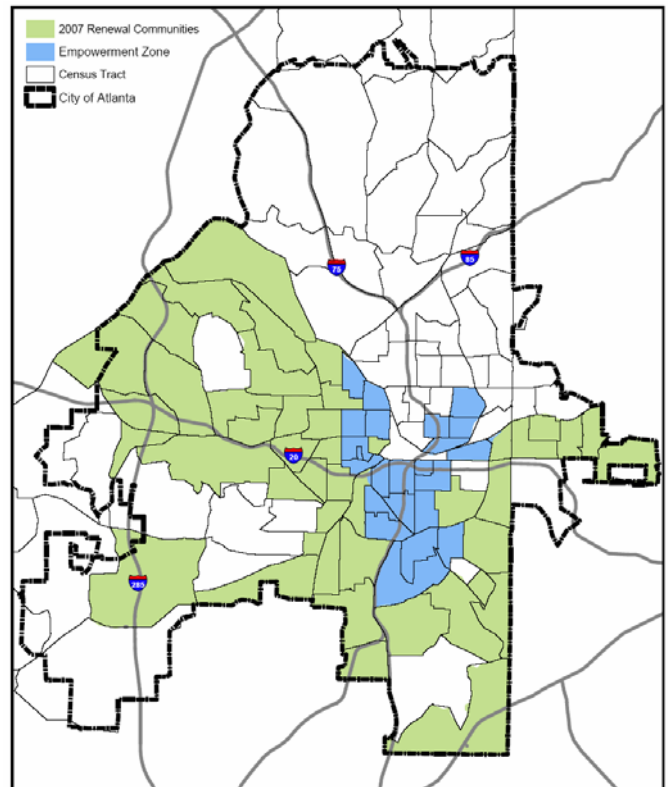
DETAILS

The IRS defines a Renewal Community business as having 85% of its property in the zone, 50% of its gross income derived from the zone and 35% of its employees living in the zone.

HOW DOES IT WORK?

As a part of its Renewal Community designation, certain locations in Atlanta offer federal tax incentives to spur economic development and job growth. Federal tax incentives available to Renewal Community businesses and residents include:

- **Commercial Revitalization Deduction** – Allows developers who build or substantially rehabilitate commercial property to submit an application for a federal tax deduction (CRD) for all qualified building expenses including up to 30% of their acquisition costs.
- **Wage Tax Credit** – Credit to the employer against federal taxes up to \$1,500 per employee (both existing and new hires) who live and work in the zone.



- **Increased Section 179 Deduction** - Allows businesses to deduct up to \$143,000 for equipment expenses such as machinery, computer equipment and upgrades.
- **100% Capital Gains Exclusion** – Allows a 0% capital gains rate for renewal community assets held for a minimum of 5 years. An asset could include tangible property in the RC, stock, capital interests or profit interests in a renewal community business acquired for cash.
- **Brownfields Clean-up Deduction** – Businesses can deduct 100% of costs associated with cleaning up any brownfield site within the renewal community in the tax year that such expense is incurred.
- **Work Opportunity Tax Credit (WOTC)** – Credit against federal taxes up to \$2,400 per new hire from a specified group of hard to employ renewal community residents who live and work in the zone.
- **Welfare-to-Work Wage Credit** – Credit for businesses that hire long-term family assistance recipients of up to \$3,500 for the first year and \$5,000 for the second year for a total of \$8,500 per new hire.

For more information, contact ACoRA at 404.522.3970
or the Atlanta Development Authority at 404.614.8301

LIFE SCIENCES FACILITIES FUND



WHAT IS IT?

The Atlanta Development Authority markets the Life Sciences Facilities Fund managed by the Georgia Department of Community Affairs. The purpose of the fund is to provide loan assistance for the purchase of fixed assets to assist with the expansion or relocation of emerging or development-stage life-science companies targeted by Georgia. Applicants should be development-stage companies that are creating commercially promising technologies and higher quality jobs.

HOW DOES IT WORK?

The Atlanta Development Authority applies on behalf of the company to the Georgia Department of Community Affairs. Applicants may apply at any time they have a viable project. The Atlanta Development Authority serves as a conduit for the loan funds. The Facilities Fund is intended to be used when needed to fill a financing gap that is unmet by the private sector (including venture capital, angel or institutional investors, traditional commercial financing, developer financing, etc.) and/or to provide an inducement for the expansion of life sciences companies within the State.

DETAILS

There is no maximum loan amount, although generally the loan amount may not be more than 15% of the fixed-asset needs of the company's Georgia location. A recommended loan amount should be included in a letter of support from a state agency or organization whose statutory or organizational powers and duties include community and economic development or the enhancement of Georgia's technology sectors (such as GDEcD, GRA, ATDC, Regents, etc.). Final approval of loan amounts is at the discretion of DCA.. All loan repayments shall be recaptured by DCA in the program fund to be available to future eligible borrowers and to cover administrative costs of the program.



REGIONAL ECONOMIC BUSINESS ASSISTANCE

WHAT IS IT?

The Atlanta Development Authority markets the Regional Economic Business Assistance (REBA) program managed by the Georgia Department of Economic Development. The program is a specialized economic development tool that may be used to enhance Georgia's competitiveness in attracting significant economic development projects and as a vehicle for significant local, regional or state-wide initiatives that will have either short- or long-term economic development benefits. REBA should not be used when other state or federal programs could be used or when local funds are sufficient to accomplish economic development goals.

HOW DOES IT WORK?

Generally, REBA funds are targeted for projects in non-rural counties. All applications must include a recommendation from a state agency whose statutory powers include community and economic development (e.g., the Georgia Department of Economic Development). REBA projects should retain or create jobs in Georgia and result in new private investment in Georgia.

DETAILS

Eligible applicants for REBA funding are general-purpose local governments, local government authorities (such as the Atlanta Development Authority), regional development centers, state agencies and state authorities.

Eligible activities include, but are not limited to: (1) public land acquisition and site development, (2) public infrastructure improvements, (3) publicly owned machinery and equipment, and (4) publicly owned / privately leased fixed assets and machinery and equipment.

The maximum amount available for economic development projects varies based upon the recommendation made by the Georgia Department of Economic Development.



TAX ALLOCATION DISTRICTS

WHAT IS IT?

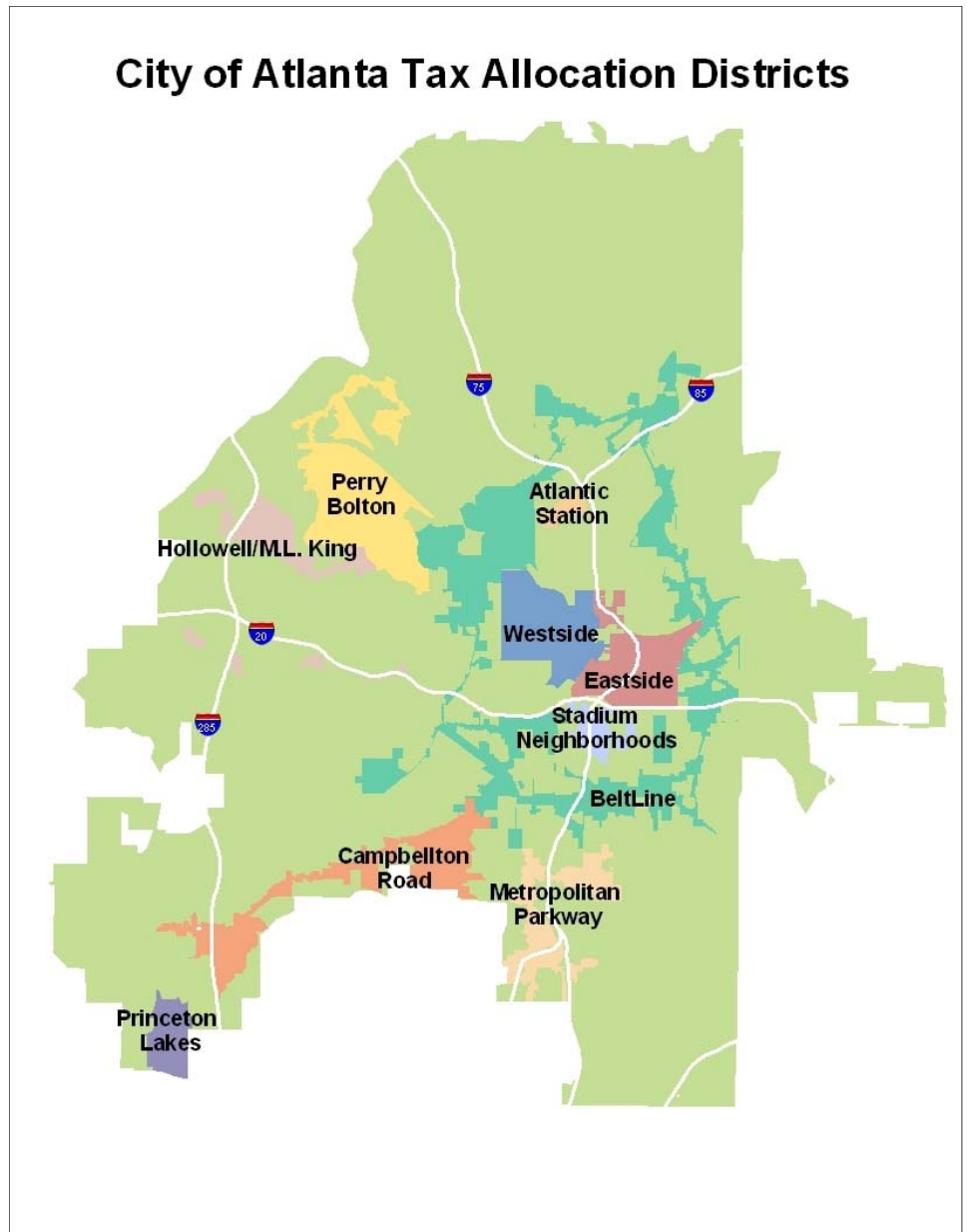
The Atlanta Development Authority manages tax allocation districts (TAD) for the purpose of publicly financing certain redevelopment activities in underdeveloped areas. Increases in property tax revenues, which are generated primarily from new development in the district, are allocated to pay public infrastructure costs or eligible private development costs within the TAD.

HOW DOES IT WORK?

Typically, upon creation, TADs are in areas with blighted conditions or in need of significant environmental remediation. One of the City's most powerful economic development tools, TADs can be used to achieve important City objectives, including: community revitalization, the development of mixed-income residential projects and the creation of sustainable affordable housing.

DETAILS

There are currently ten TADs in the City of Atlanta: Atlantic Station, Perry-Bolton, Princeton Lakes, Westside, Eastside, Beltline, Hollowell/M.L. King, Campbellton Road, Stadium Neighborhoods and Metropolitan Parkway.



EMPLOYEE RECRUITMENT AND TRAINING

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The Atlanta Development Authority markets the services of the Atlanta Workforce Development Agency (AWDA). The AWDA brings businesses, job seekers, and training providers together to provide skilled workers for every business.

AWDA can assist with:

Employee Recruitment - The Atlanta Workforce Development Agency staff serves as an employment agency for the City of Atlanta business community. Job seekers visit the One-Stop Center daily searching for job leads and information on openings. Hundreds of resumes are received and maintained in an applicant database. AWDA staff members are responsible for managing an applicant database and searching for suitable "job seekers" to refer to employers for job vacancies.

Job Fairs - Host your next Job Fair at the Atlanta One-Stop Center, free of charge. The Atlanta Workforce Development Agency is equipped to provide industry, occupation, or company specific job fairs at no cost to you, the employer. AWDA provides a full service facility that includes a large multi-purpose room that can accommodate 200 people, an auditorium that can accommodate 500, high tech training rooms and computer labs, and interviewing rooms, to name a few. AWDA staff will assist you with recruitment and pre-screen all job seekers.

Customized Training - The Atlanta Workforce Development Agency can help your company retool, expand, or create its workforce through Customized Training Services (CTS). With WIA funds, AWDA can help an employer, or a group of employers, develop a training program customized to its own need, whether it's growth or expansion. AWDA staff will work with you in developing a training program, oversight, evaluation, training, and follow-up. Customized Training Services, at its best is a partnership between industry, government, and the job seeker, or incumbent worker, where everyone wins.

Other Services include:

- On-the-Job Training - Pays 50% of wages for specified training periods
- Providing employers with a pre-screened applicant pool
- Providing employers the opportunity to interview each applicant
- Completing job analysis
- Mediation assistance for concerns of human relations issues
- Providing on-going follow-up and retention services to employer and the employee at no additional cost to the employer

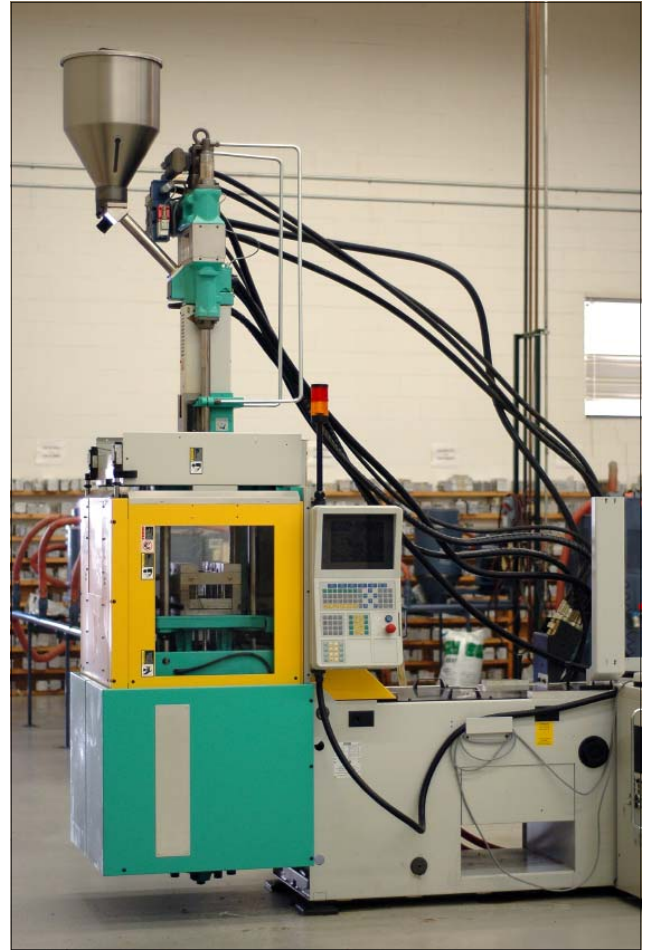


ECONOMIC OPPORTUNITY FUND

WHAT IS IT?

The City of Atlanta, under the direction of Mayor Shirley Franklin, has made the creation of new jobs a top priority. In order to encourage economic development by increasing opportunities for the development of new jobs, the Mayor and the Atlanta Development Authority (ADA) created the New Century Economic Development plan to support the growth of target industries and business ventures that have demonstrated opportunities for significant job growth. This economic development plan called for the creation of an Economic Opportunity Fund for the purpose on investing in job creation projects.

Approved by the Mayor and the City Council in 2006, the Economic Opportunity Fund is administered by the ADA to encourage business recruitment, retention and expansion by increasing capital available for development and business growth, attracting major events to the City, increasing the economic vitality of underserved areas and performing other special projects having a positive economic impact on the City.



HOW DOES IT WORK?

The ADA evaluates projects for participation in the Economic Opportunity Fund on a case-by-case basis evaluating employers according to their resource capability to maintain or develop business facilities within the City of Atlanta, the likelihood of creating jobs according to quality and quantity thresholds developed by the ADA, compliance with annual disclosure requirements to evidence conformity with ADA's job quality and quantity thresholds, commitment to maintaining a presence in the City beyond the period for which incentives have been granted and agreement with monitoring and enforcement activities by the ADA and the City of Atlanta.

URBAN ENTERPRISE ZONE

WHAT IS IT?

The City of Atlanta's Urban Enterprise Zone (UEZ) Program was created in 1983 to encourage private development and redevelopment in areas of the City which otherwise would unlikely be developed. An "urban enterprise zone" (UEZ) is a designated district that is located within an economically-depressed area of the City where property owners may receive tax abatements over a ten-year period if certain conditions are met. Each UEZ is created as a result of the approval of an application that has been submitted to and reviewed by the City for a specific real estate development project.

HOW DOES IT WORK?

The UEZ Program does not have pre-existing designated urban enterprise zones. Rather, UEZs are designated on a case-by-case basis, by request, after all requirements of the application process are met and approved. In return for allowing tax abatements (tax waivers and reductions) on UEZ properties, the City of Atlanta may approve UEZ applications for sites in certain areas to encourage private investment, urban revitalization, and/or the provision of affordable housing.

An applicant files an application with the Bureau of Planning to request that an urban enterprise zone (UEZ) be designated to allow a specific development project on a specific property. An application may be submitted to request the designation of five possible types of UEZs: housing enterprise zones (HEZs), commercial enterprise zones (CEZs), mixed-use residential/commercial enterprise zones (MUR/CEZs), industrial enterprise zones (IEZs), and mixed-use commercial/ industrial enterprise zones (MUR/CIZs). Once a UEZ is designated according to one of these types, it cannot be changed. For MUR/CEZs and MUR/IEZs, the developer must construct all of the required land uses within the development project.

Anyone who is interested in obtaining UEZ designation for a particular property must have a specific development proposal for that property, and must submit a detailed UEZ application to the City's Bureau of Planning to request that a UEZ be created for that property. The UEZ program requires that each UEZ be designated on the basis of a specific development proposal, thus it does not allow the designation of a UEZ for purely speculative real estate purposes. A UEZ property does not need to be of any minimum size. The City Council and/or Mayor must officially approve the designation of a UEZ for a particular property through the UEZ application and review process.

DETAILS

The creation of an urban enterprise zone (UEZ) for a particular property is approved by the Atlanta City Council and Mayor, after all UEZ requirements have been satisfactorily met. This then entitles property owners within the UEZ to receive tax abatements for City taxes and Atlanta Public Schools taxes. The Fulton County Board of Commissioners separately reviews each UEZ application. Those that are approved entitles property owners of the UEZ to receive tax abatements for Fulton County. The UEZ is created to exist for a period of ten years, after which it is abolished.

INDUSTRIAL DEVELOPMENT BOND

WHAT IS IT?

For businesses seeking long-term, low-interest rate financing for the construction or improvements of manufacturing facilities, Industrial Development Bond (IDB) financing is available both at the state and local levels. IDB financing is typically structured as public sales in the nation's bond markets or sold as private placements with interested investors. In the case of publicly sold IDBs, credit enhancements in the form of letters of credit is often provided by local banks, insuring that a favorable interest rate to the borrower will result from the sale of bonds. Interest rate may be fixed or variable.

ADVANTAGES

- Below-market interest rate financing generated through the sale of tax-exempt bonds.
- Long-term, low-payment financing, with term matched to the useful life of the assets financed.
- Comprehensive use of funds for manufacturing-related improvements, including purchase of land, construction or purchase and renovation of buildings, and purchase of new equipment.
- Up to \$10 million available for each eligible project.

DISADVANTAGES

- State and federal limitations placed on IDB financed projects remain in effect until the bonds are retired.
- Issuance costs may limit the attractiveness of IDB financing for amounts below \$3 million.

HOW DOES IT WORK?

- The borrower applies to a local development authority (LDA) for an inducement of the project.
- The LDA holds a public hearing in the jurisdiction where the project will be built.
- The borrower's creditworthiness is analyzed and appropriate credit enhancement is arranged.
- Bonds are issued and sold, proceeds of the sale are disbursed to the borrower as a loan, and issuance fees are paid. (Up to 2% of issuance costs may be financed through an IDB sale.)

Credit standards for IDB borrowers vary according to issuing authority and type of issuance:

- Public placement through local issuer: Borrower must meet minimum debt standards for the bonds.



OPPORTUNITY ZONE

WHAT IS IT?

The Atlanta Development Authority markets the Opportunity Zones (OZ) program managed by the Georgia Department of Community Affairs. Opportunity Zones offer significant local, state, and federal incentives for the redevelopment of blighted areas. OZs exist to better utilize several existing state statutes to further economic development, entrepreneurship and increases in private sector led investments through locally driven partnerships. Within certain geographic areas all over the state, these opportunities can be realized without the creation of new state programs or the appropriation of new state funds. Because the initiative relies on the innovative use of existing statutes, projects can be realized quickly. By fostering partnerships and adhering to a core principal of supporting “bottom up, locally driven” projects, OZs will allow innovative, multi-faceted policies, programs and projects to emerge quickly. The statutes include:

The Georgia Enterprise Zone Employment Act

This expands the criteria for designating a State Enterprise Zone to allow blighted areas designated under the Georgia Urban Redevelopment Law (§ 36-61-2) as one of five eligible criteria (poverty, unemployment, general distress, underdevelopment and blight) for designation. In Zones established through local ordinance, an eligible business that makes a qualified capital investment and employs five (5) or more employees can qualify for local property tax abatements and relief from local business fees and regulations.

- Minimal cost to the state (0.25 mils property tax)
- Bottom-up, locally driven approach
- Synergies for collaboration with numerous local/ regional/state/federal and private investment and financing programs targeted to the same areas (20% poverty or greater).

The Georgia Business Expansion and Support Act

This program allows businesses that expand or locate within census block groups having 20% or greater poverty included in a locally designated Enterprise Zone where a local Redevelopment Plan has also been adopted pursuant to Georgia's Urban Redevelopment Law to take advantage of the state job tax credits normally only allowed in Tier One counties. The program would only be available to limited areas where local governments have invested significant “skin in the game” by providing local initiatives and incentives for redevelopment.

- A unique state/local partnership that would allow the state to recognize local initiative through the designation of a state “opportunity zone” once the local initiatives are accomplished.
- The proposed change would allow jobs tax credits to work more effectively for all rural, suburban and urban census areas that have “pockets of poverty” not recognized by the existing criteria.
- Limited cost to the state since targeted areas are experiencing little economic development
- Synergies for collaboration with numerous local/ regional/state/federal and private investment and financing programs targeted to the same areas (20% poverty or greater).