

# Tax Allocation Districts

A tax allocation district (TAD) is established 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, can be allocated to developers to pay public infrastructure costs or eligible private development costs within the TAD.

### **Perry-Bolton (2002)**

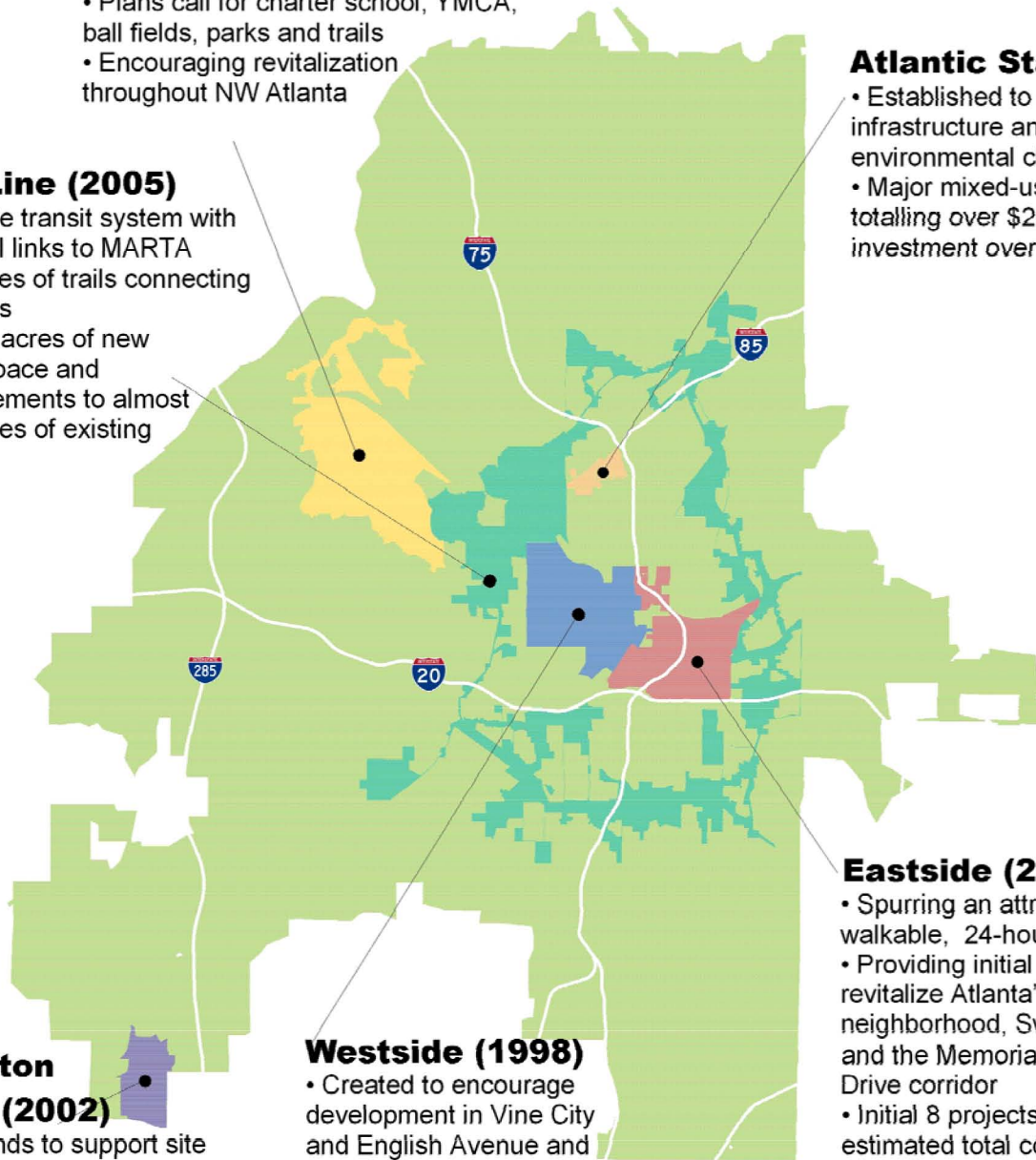
- Creating West Highlands, a new mixed-income community on a former public housing site
- Estimated total cost of over \$400 million
- Plans call for charter school, YMCA, ball fields, parks and trails
- Encouraging revitalization throughout NW Atlanta

### **Atlantic Station (1999)**

- Established to help finance infrastructure and environmental clean-up
- Major mixed-use development totalling over \$2 billion in investment over 15 years.

### **BeltLine (2005)**

- 22-mile transit system with regional links to MARTA
- 33 miles of trails connecting 40 parks
- 1,300 acres of new greenspace and improvements to almost 700 acres of existing parks



### **Eastside (2003)**

- Spurring an attractive, walkable, 24-hour downtown
- Providing initial funding to revitalize Atlanta's most historic neighborhood, Sweet Auburn, and the Memorial Drive/MLK Jr. Drive corridor
- Initial 8 projects with an estimated total cost of \$415 million.

### **Princeton Lakes (2002)**

- TAD bonds to support site infrastructure improvements
- Projected \$366 million mixed-use development in SW Atlanta
- Over 1,700 housing units, plus office and retail

### **Westside (1998)**

- Created to encourage development in Vine City and English Avenue and around Centennial Olympic Park
- Major redevelopment projects have generated \$140 million in investment
- 8 new projects underway totalling \$340 million in new investment

# 4 New City of Atlanta Tax Allocation Districts

*The adoption of the of the new TADs by Atlanta Public Schools and Fulton County is still pending the approvals of the Board of Commissioners and the Board of Education. We anticipate that the program will be implemented 2nd Quarter 2007.*

## Hollowell/M.L. King

This TAD will help transform the MLK and Hollowell Corridors into desirable, viable commercial and pedestrian-friendly communities. The TAD aims to:

- Provide a local match for regional, State and Federal funding to allow improvements to land use, transportation, and recreational areas
- Increase employment opportunities for residents of the TAD area
- Increase opportunities for market-driven residential and commercial development
- Overcome constraints to redevelopment generated by aged and obsolete commercial and residential structures, inefficient transportation infrastructure and inadequate physical connections to the surrounding community
- Key redevelopment opportunities include: Westlake Marta Station, H.E. Holmes Marta Station, Bankhead Courts (45 acres) and Bowen Homes (77 acres)

## Campbellton Road

The goals for this TAD are to establish the framework for new redevelopment opportunities and investment in 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 the area. Specifically the TAD will help:

- Attract substantial private investment that will act as a catalyst for additional private commercial and residential investments
- Create a significant number of jobs
- Increase the future tax digest to provide funding for infrastructure improvements
- Facilitate the redevelopment of Greenbrier Mall
- Allow this key southwest corridor to compete aggressively for new development opportunities
- Key redevelopment opportunities include: Lakewood/Ft. McPherson Marta Station, Ft. McPherson (485 acres), Westgate Plaza (10 acres), old Delta reservation facility (66 acres) and Vulcan Quarry (150+ acres)

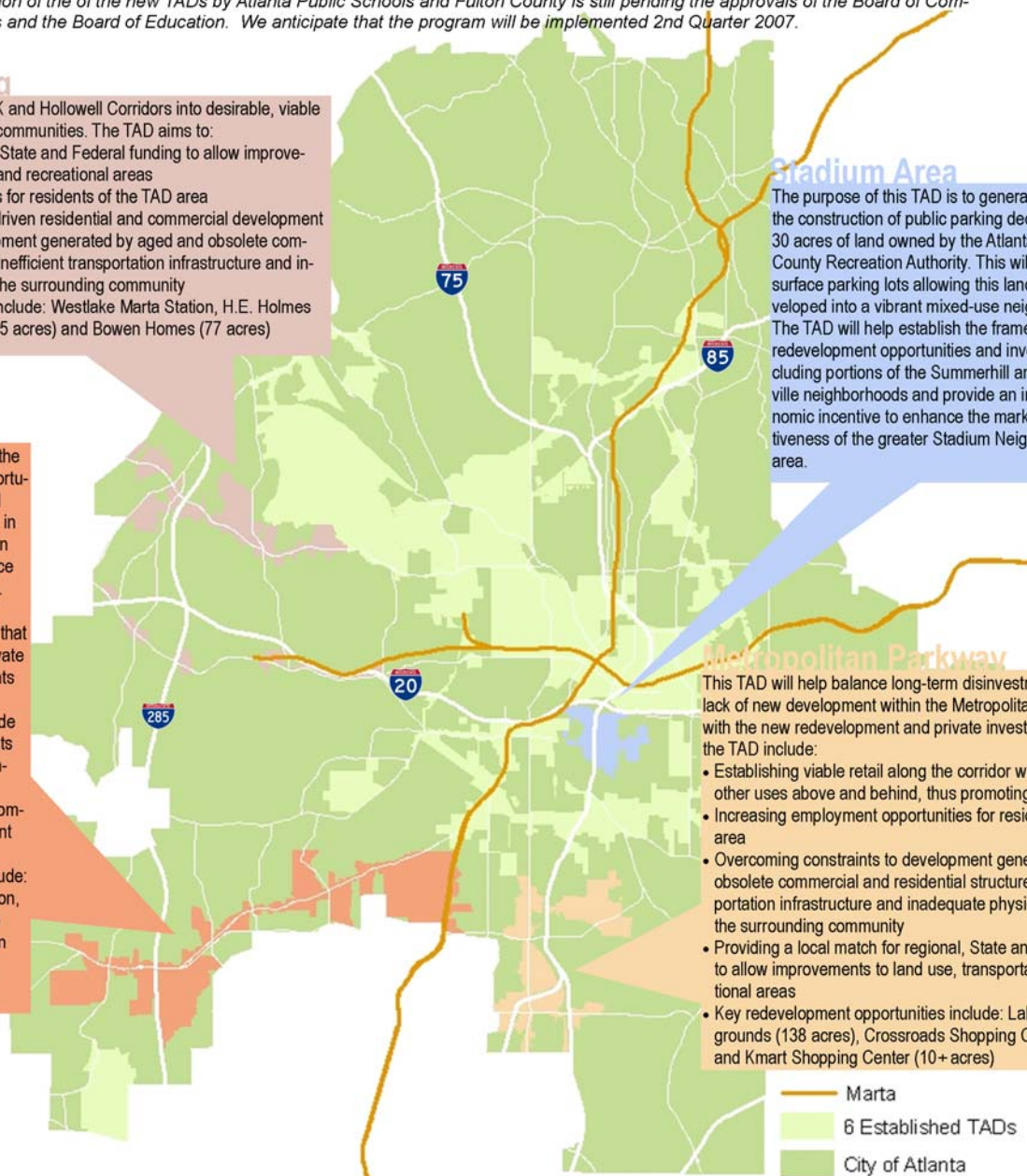
## Stadium Area

The purpose of this TAD is to generate funding for the construction of public parking decks on over 30 acres of land owned by the Atlanta-Fulton County Recreation Authority. This will replace the surface parking lots allowing this land to be redeveloped into a vibrant mixed-use neighborhood. The TAD will help 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.

## Metropolitan Parkway

This TAD will help balance long-term disinvestment and general lack of new development within the Metropolitan Parkway area with the new redevelopment and private investment. Goals for the TAD include:

- Establishing viable retail along the corridor with residential and other uses above and behind, thus promoting sustainability
- Increasing employment opportunities for residents of the TAD area
- Overcoming constraints to development generated by aged and obsolete commercial and residential structures, inefficient transportation infrastructure and inadequate physical connections to the surrounding community
- Providing a local match for regional, State and Federal funding to allow improvements to land use, transportation, and recreational areas
- Key redevelopment opportunities include: Lakewood Fairgrounds (138 acres), Crossroads Shopping Center (23+ acres) and Kmart Shopping Center (10+ acres)



**A tax allocation district (TAD) is established 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, can be allocated to developers to pay public infrastructure costs or eligible private development costs within the TAD.**

Historically, bonds have been issued in City of Atlanta TADs to provide up-front funding for new development in the districts. In three of these four new TADs, a pay-as-you-go financing method will be utilized. In this approach, developers are reimbursed for development costs already incurred as new tax increment is generated. Benefits of pay-as-you-go funding:

- ⇒ Developer is responsible for providing all up-front financing.
- ⇒ The municipality assumes no risk of default.
- ⇒ A pay-as-you-go arrangement provides leverage to the municipality: project funding can be contingent upon continued satisfaction of policy goals and requirements.
- ⇒ Developer and banker are responsible for underwriting the project, thus assuming all risk.
- ⇒ More cost effective for City.