City of College Park
Tax Allocation District #2: Old National Highway

College Park Business and Industrial Development Authority
July 14, 2018
Proposed Redevelopment Area & TAD #2 Boundaries

- Parcels in green are inside the Redevelopment Area but are not part of TAD #2.

- Commercial properties not inside the Redevelopment Area (dashed line) are outside the City Limits.
Redevelopment Area Characteristics

- The Old National Area covers 650+ acres, contains 5 million SF of buildings and includes nearly 12% of the City’s tax base in Fulton County
  - 1,082 housing units including 1,000 apartments
  - 876 hotel/motel rooms
  - 1.6 million SF of manufacturing & warehousing
  - 730,000 SF of retail space
  - 261,000 SF of office space
  - 110 acres - vacant privately owned land
  - 179 tax exempt acres – most owned by the City of Atlanta

Area Demographics & Housing Conditions*
- 3,620 residents in 1,400 households
- 19% population loss since 2000
- Median household income of $26,600 – 12% less than the City 56% less than the County medians
- More than 80% of households are renters
- Average household size (2.53 persons) higher than the City and State average
- 39% of households have children under 18

* Due to data limitations, demographic estimates include some adjacent population and housing units located outside of the City limits.

<table>
<thead>
<tr>
<th>Land Use</th>
<th>RA Parcels</th>
<th>Total Acres</th>
<th>Land Value</th>
<th>Improvement Value</th>
<th>Total Value</th>
<th>Tax Digest</th>
<th>Total Bldg_SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential (SF, TH &amp; Apartments)</td>
<td>96</td>
<td>132.9</td>
<td>$13,942,000</td>
<td>$15,882,000</td>
<td>$29,824,000</td>
<td>$11,929,600</td>
<td>1,785,797</td>
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<tr>
<td>Office/Office Warehouse</td>
<td>8</td>
<td>21.9</td>
<td>$6,192,300</td>
<td>$3,370,900</td>
<td>$9,563,200</td>
<td>$3,825,280</td>
<td>261,129</td>
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<tr>
<td>Manufacturing &amp; Warehousing</td>
<td>8</td>
<td>85.4</td>
<td>$11,163,700</td>
<td>$38,527,000</td>
<td>$49,690,700</td>
<td>$19,876,280</td>
<td>1,644,287</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>38</td>
<td>91.6</td>
<td>$21,926,400</td>
<td>$21,596,600</td>
<td>$43,523,000</td>
<td>$17,409,200</td>
<td>729,748</td>
</tr>
<tr>
<td>Other Commercial</td>
<td>17</td>
<td>32.6</td>
<td>$10,954,960</td>
<td>$13,471,200</td>
<td>$24,426,160</td>
<td>$9,770,454</td>
<td>582,528</td>
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<tr>
<td>Exempt*</td>
<td>28</td>
<td>179.1</td>
<td>$10,694,500</td>
<td>$816,300</td>
<td>$11,511,000</td>
<td>$0</td>
<td>6,582</td>
</tr>
<tr>
<td>Other V vacant</td>
<td>45</td>
<td>110.0</td>
<td>$7,448,000</td>
<td>$156,000</td>
<td>$7,604,000</td>
<td>$2,620,560</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTALS:</strong></td>
<td>241</td>
<td>653.6</td>
<td>$82,321,860</td>
<td>$98,820,200</td>
<td>$176,142,060</td>
<td>$65,431,384</td>
<td>5,010,071</td>
</tr>
</tbody>
</table>

* Building values and square footage associated with tax exempt parcels is incomplete and in most cases not reported by the Fulton County Assessor’s office.
Why Old National Qualifies as a Redevelopment Area

- The proposed redevelopment area exceeds eligibility requirements under the Redevelopment Powers Law
  - “Substandard, vacant, deteriorated, or deteriorating structures”
    - The average year built of 5 million SF of buildings is 1977
    - Age of housing is 40+ years – average full value of multi-family housing less than $27,600/unit
    - The value of 700,000 SF of existing retail buildings in the area averages only $43/SF
  - “High commercial vacancies and stagnant/declining rents”
    - Among the largest shopping centers in the area, vacancy rates exceed 50 percent
  - “Evidence of pervasive poverty, defined as being greater than 10 percent of the population in the area [and high unemployment] 10 percent higher than the state average”
    - The area’s poverty rate exceeds 28% - unemployment is also likely to be more than 10% higher than the state average
  - “Is substantially underutilized by containing open lots or parcels of land”
    - More than 286 acres are vacant and/or tax exempt
  - “The predominance of structures or buildings of relatively low or significantly slower growth in the property tax digest”
    - Average taxable full values/SF are pulled down by apartments and vacant retail buildings, which are collectively valued at less than $16/SF
The Proposed TAD #2 includes only the lowest valued properties in the Redevelopment Area – totaling 94 parcels, 437 acres and 2.1 million SF of buildings with a tax digest of $17.7 million.

If approved as proposed, the City will have placed 7.63% of its Fulton County digest in two Tax Allocation Districts.
*This Plan does not expect TAD proceeds to be invested in Atlanta’s Aviation Services Park.*
Potential TAD #2 Infill Sites
Preliminary estimates indicate that TAD #2 has the potential to leverage roughly $81.1 million in new taxable investment consisting of:

- Replacement of existing shopping centers with new commercial or mixed uses
- Development of a business park/logistics center on City/BIDA property
- Development of vacant infill sites
- Rehabilitation of substandard apartments
- Nearly 1.0 million SF of new development (net after demolition)

$36.8 million increase in tax digest at build out in 7 to 10 years

$1.53 million per year in real estate tax increment if/when all of proposed projects are completed

Estimates could be exceeded if mixed use projects include new housing and/or Atlanta’s aviation business park becomes taxable
Estimated Uses of TAD #2 Proceeds

- Estimated projects have the capacity to leverage just under $15.0 million in net financing to support redevelopment
  - Assumes both County and School District participation
- It is recommended that the bulk of funds be used to incentivize the redevelopment of one or more shopping center sites
- Allocation to the business park assume that one or more end-users could negotiate PILOT agreements with BIDA

<table>
<thead>
<tr>
<th>Proposed uses of TAD Proceeds</th>
<th>Allocated TAD Proceeds</th>
<th>% of TAD Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Incentives - Business Park</td>
<td>$3,747,500</td>
<td>25%</td>
</tr>
<tr>
<td>Shopping Center Redevelopment</td>
<td>$7,495,000</td>
<td>50%</td>
</tr>
<tr>
<td>Apartment Rehab Incentives</td>
<td>$2,248,500</td>
<td>15%</td>
</tr>
<tr>
<td>Misc. Public Improvements</td>
<td>$1,499,000</td>
<td>10%</td>
</tr>
<tr>
<td><strong>TOTALS:</strong></td>
<td><strong>$14,990,000</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

- The amount, method and timing of TAD reimbursements would be based on the timing and scope of individual projects, with terms negotiated through development agreements
Questions?

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