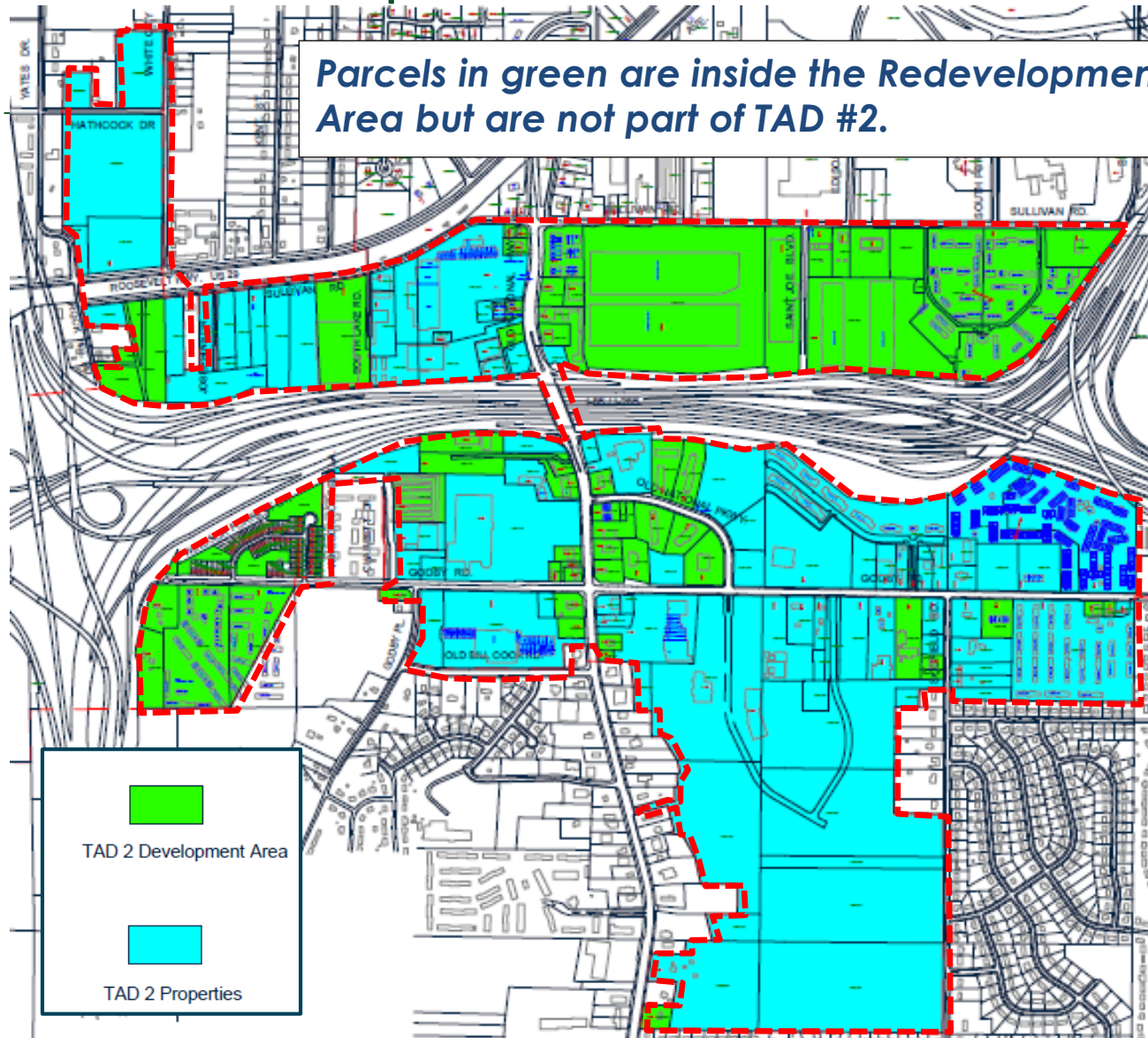




City of College Park Tax Allocation District #2: Old National Highway

College Park Business and Industrial Development Authority
July 14, 2018

Proposed Redevelopment Area & TAD #2 Boundaries



- ▶ 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

Land Use	RA Parcels	Total Acres	Land Value	Improvement Value	Total Value	Tax Digest	Total Bldg_SF
Residential (SF, TH & Apartments)	96	132.9	\$13,942,000	\$15,882,000	\$29,824,000	\$11,929,600	1,785,797
Office/Office Warehouse	8	21.9	\$6,192,300	\$3,370,900	\$9,563,200	\$3,825,280	261,129
Manufacturing & Warehousing	8	85.4	\$11,163,700	\$38,527,000	\$49,690,700	\$19,876,280	1,644,287
Retail Trade	38	91.6	\$21,926,400	\$21,596,600	\$43,523,000	\$17,409,200	729,748
Other Commercial	17	32.6	\$10,954,960	\$13,471,200	\$24,426,160	\$9,770,464	582,528
Exempt*	28	179.1	\$10,694,500	\$816,500	\$11,511,000	\$0	6,582
Other Vacant	46	110.0	\$7,448,000	\$156,000	\$7,604,000	\$2,620,560	-
TOTALS:	241	653.6	\$82,321,860	\$98,820,200	\$176,142,060	\$65,431,384	5,010,071

* 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.

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

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



Proposed TAD Base Digest

Proposed TAD #2 Parcels and Property Characteristics

Land Use	TAD Parcels	Total Acres	Land Value	Improvement Value	Total Value	Tax Digest (40% Value)	Existing Bldg_SF
Residential (SF+Apartments)	7	68.1	\$4,180,250	\$3,436,000	\$7,616,250	\$3,046,500	1,026,719
Office/Office Warehouse	5	14.6	\$3,532,700	\$920,500	\$4,453,200	\$1,781,280	155,161
Manufacturing & Warehousing	4	8.0	\$941,600	\$1,565,400	\$2,507,000	\$1,002,800	96,136
Retail Trade	9	61.4	\$7,651,500	\$7,637,200	\$15,288,700	\$6,115,480	586,033
Other Commercial	7	13.3	\$4,132,400	\$4,163,100	\$8,295,500	\$3,318,200	229,857
Exempt*	24	174.6	\$9,320,000	\$153,700	\$9,473,700	\$0	4,432
Other Vacant	38	101.6	\$6,996,700	\$139,100	\$7,135,800	\$2,441,720	-
TOTALS:	94	436.7	\$36,755,150	\$18,015,000	\$54,770,150	\$17,705,980	2,098,338

Total City of College Park Tax Digest (Fulton County Portion - 2016)

TAD % of City's Fulton County Digest

* 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.

Source: Fulton County Assessor's office and Bleakly Advisory Group, Inc.

- ▶ **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**

Potential TAD #2 Future Project Sites

**Proposed
Business/
Logistics
Park**

**Shopping
Center
Re-use**

Potential Apartment Rehabilitation

**Potential Mixed Use or
Shopping Center
Development Sites**

*** Atlanta Aviation
Business Park**

*** This Plan does not expect TAD proceeds to be invested in Atlanta's Aviation Services Park.**

Potential TAD #2 Infill Sites



TAD Potential

Estimated TAD #2 Redevelopment Opportunities and Projects

Summary	Improvement				Tax Digest						
	Land SF	Land Value	Value	Total Value	Value	Bldg SF	Land Val/AC	Imp Val/SF	Digest/AC	Value/SF	Value/AC
Total TAD Projects	6,193,750	\$19,056,850	\$85,721,566	\$104,778,416	\$41,911,367	2,276,664	\$134,029	\$37.65	\$294,768	\$46.02	\$736,920
Balance of TAD	12,830,425	\$27,042,080	\$13,368,380	\$40,410,460	\$12,593,008	1,025,151	\$91,819	\$13.04	\$42,758.7	\$39.42	\$137,211
Future Value After Redevelopment:	19,022,561	\$46,098,930	\$99,089,946	\$145,188,876	\$54,504,375	3,301,815	\$105,563	\$30.01	\$124,810	\$43.97	\$332,470

Change over Existing Conditions	-	\$9,343,780	\$81,074,946	\$90,418,726	\$36,798,395	1,203,477	\$21,396	\$21.43	\$84,265	\$17.87	\$207,051
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Source: City of College Park and Bleakly Advisory Group, Inc.

- ▶ 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

	Current Millage Rates	Existing Conditions	Build-Out Conditions	Incremental Change
Total Real Estate Taxes				
Taxable Digest		\$17,705,980	\$54,504,375	\$36,798,395
Annual General Fund Property Taxes				
City of College Park	12.6190	\$223,432	\$687,791	\$464,359
Fulton County	10.4500	\$185,027	\$569,571	\$384,543
Fulton County School System	18.4830	\$327,260	\$1,007,404	\$680,145
TOTALS:	41.5520	\$735,719	\$2,264,766	\$1,529,047

Source: City of College Park and Bleakly Advisory Group, Inc.

- ▶ \$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

Proposed uses of TAD Proceeds	Allocated TAD Proceeds	% of TAD Total
Tax Incentives - Business Park	\$3,747,500	25%
Shopping Center Redevelopment	\$7,495,000	50%
Apartment Rehab Incentives	\$2,248,500	15%
Misc. Public Improvements	\$1,499,000	10%
TOTALS:	\$14,990,000	100%

- ▶ 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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