Development Authority of Fulton County (DAFC)

PREPARED FOR ATLANTA PUBLIC SCHOOLS BOARD OF EDUCATION

MARCH 30, 2021

Who We Are & What We Do

Created in 1973 by Georgia law and a resolution of the Fulton County Board of Commissioners as a special unit of the county government, the Authority provides wide-ranging economic development services on behalf of Fulton County. The Authority also facilitates community based economic development initiatives within Fulton County and its municipalities.

We stimulate quality economic development in Fulton County by expanding and diversifying the tax base, creating jobs, retaining existing businesses and sustaining quality of life for residents throughout Fulton County.

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New Year

+

New Leadership

+

New Understanding

New Opportunities

New Year, New Leadership

Michel "Marty" Turpeau – *Chairman*

Brandon Beach – *Vice Chairman*

Samuel Bacote III – *Treasurer*

Dr. Samuel D. Jolley, Jr.– *Secretary*

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New Year, New Understanding

We need to create more ways to educate stakeholders and the public about our programs and our differentiators for a better understanding of the overall positive economic impact tax incentives can provide.

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DAFC Differentiators

Enhanced MFBE Policy

- Minority-owned businesses for 26.7% of subcontracted work
- Female-owned businesses for 11.1% of subcontracted work
- Requires detailed plans on the front end
- DAFC provides tools that the companies may not otherwise know about

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Multijurisdictional Projects: Microsoft

- U.S Data Center Region “East 3” in Fulton County
  - City of East Point and City of Palmetto
    - 250,000 square feet data centers
    - $420 million investment for each data center
    - 20 direct permanent jobs, 15-30 indirect vendor/contractor jobs, and 300 to 1,000 temporary construction jobs in any given year for each center

- Cloud Computing & Artificial Intelligence (AI)
  - Fully occupy new Atlantic Yards development in Atlantic Station
    - Largest new office lease in metro Atlanta since COVID-19 pandemic
    - $75 million investment
    - 1,500 new jobs

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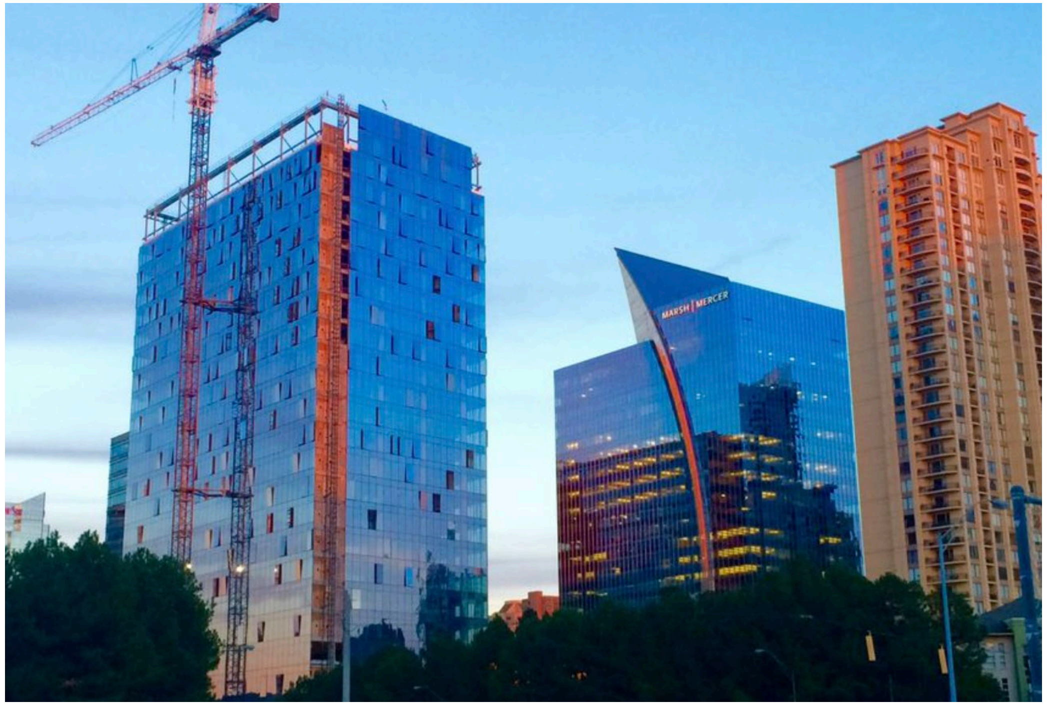
Multijurisdictional Projects: Global Payments

- Acquired Heartland Payment Systems
- Consolidated to Three Alliance Building in Atlanta
- Maintained and renovated office space in Sandy Springs
- Purchased equipment for the data center on Jefferson Street in Atlanta



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Thorough Vetting Process

- 5x hurdle rate
- Extraordinary costs
- Compelling community impact/support
- Job creation
- Competitiveness
- National/global tenant recruitment

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GASB 77 Reporting

- Established process
  - Timely and accurate financial reporting
    - Engagement with Ernst & Young
  - Leadership role coordinating with municipalities, Tax Assessor and County Finance Division
- Above and beyond what is required
  - Economic Impact Analysis of DAFC projects
  - Net New Revenue Impact Analyses and Reporting
    - Fulton County, City of Atlanta, APS and FCSD

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Positive Economic Impact

Fulton County: More Tax Dollars, More Community Benefits, More Quickly

DAFC transactions in 2019 and 2020 provided significant investment and job creation in **Fulton County**.

Projections based on economic development opportunities that closed in 2019/2020 include:

- More than **$45 billion** in overall economic impact
- **$3,664,641,000** in capital investment
- More than **$201,122,233** in community benefits and infrastructure improvements, saving governments this expense
- More than **$380,237,687** in **new tax dollars** over the ten-year incentive period
- **29,692** permanent jobs
- **14,192** temporary construction jobs
- **997** affordable housing units

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Atlanta: More Tax Dollars & More Community Benefits

DAFC transactions in 2019 and 2020 provided significant investment and job creation in the **City of Atlanta**.

Projections based on economic development opportunities that closed in 2019/2020 include:

- **$2,555,400,000** in capital investment
- More than **$159,500,578** in community benefits and infrastructure improvements, saving Atlanta this expense
- More than **$57,898,733** in **new tax dollars** over the ten-year incentive period for City of Atlanta and more than **$82,230,790** in **new tax dollars** for APS
- **20,015** permanent jobs / **9,082** temporary construction jobs
- **777** affordable housing units

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More Community Benefits

MORE THAN **$159,500,578** IN COMMUNITY BENEFITS AND INFRASTRUCTURE IMPROVEMENTS WERE PROVIDED SAVING YOU THE EXPENSE

Community benefits include:

- Street-level improvements
- Better pedestrian access
- Environmental benefits from sustainable design and clean-up
- Social impacts through better access to affordable housing or retail options
- Health impacts from access to fresh food options

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Community Benefit Examples

1105 WEST PEACHTREE

GOOGLE EXPANSION

MIDTOWN UNION

METLIFE PROJECT

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Community Benefit Examples

PEOPLESTOWN

REMEDY STORM DRAIN

HAMILTON AVENUE

ENVIRONMENTAL REMEDIATION

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Community Benefit Examples

ENGLISH AVENUE

IMPROVE CONNECTIVITY

JLB APARTMENTS

BUSINESS MENTOR PROGRAMS

SCORE

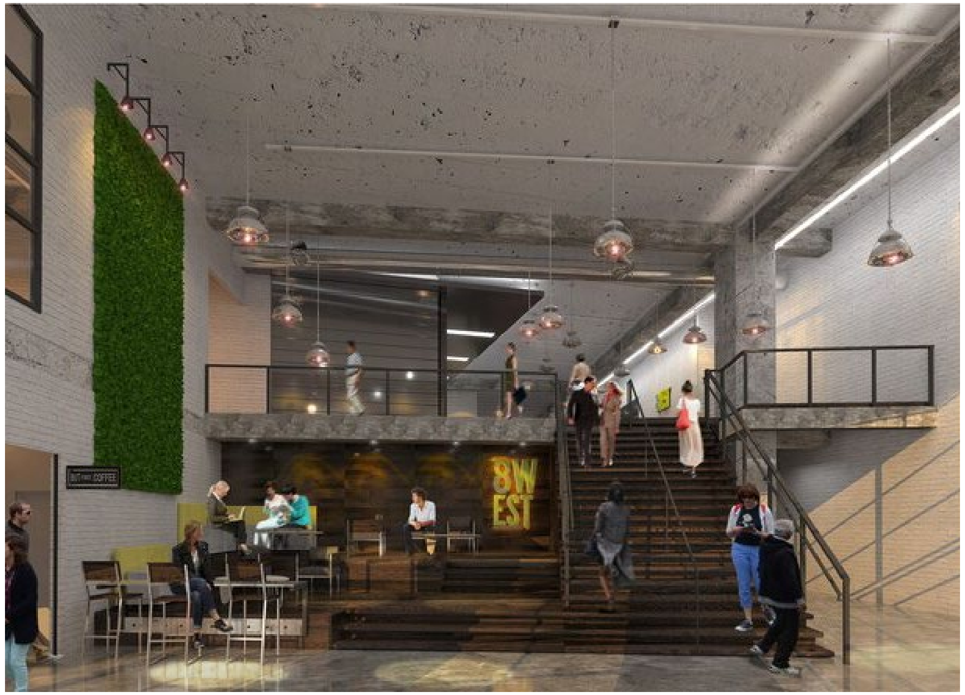
FOR THE LIFE OF YOUR BUSINESS

Atlanta

Community Benefit Examples

HATHAWAY GALLERY

SUPPORT LOCAL ARTS



SPELMAN & CLARK ATLANTA

EDUCATION FUNDING

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Community Benefit Examples

GSU, MOREHOUSE, SPELMAN, CAU

AFFORDABLE STUDENT HOUSING

VESTA ADAMS PARK

AFFORDABLE RESIDENTIAL REDEVELOPMENT

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DAFC Incentives & Results

DAFC Incentives Example: Terminus 200

- Run for period of 10 years with approximately 25% net reduction
- Reduction is off tax dollars generated by project
- More tax dollars provided more quickly to all taxing jurisdictions starting in year one after completion of construction

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DAFC Incentives Example: Terminus200

Atlanta Public Schools Results

	2010	2015	2020
Taxes if Undeveloped	**$ 182,089**	$ 182,475	$ 174,082
Incentive Amount	$ 303,716	$ 255,488	$ -
Taxes Collected with Incentive	$ 303,716	$ 766,465	$ -
Taxes Collected After Incentive Expired	$ -	$ -	$ 1,448,737
Net Increase in Taxes	$ 121,627	$ 583,990	**$ 1,274,656**

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Will They Build Without Incentives?

No Incentives: 359 East Paces Ferry

- Acquired in 2003
- Originally included a 30,000 sq. ft. office building built in 1957
- Vacated due to building age and system obsolescence decade later
- Demolished in 2015
- DAFC Board turned down project for incentives in 2019
- Site still consists of vacant, undeveloped land being used for construction site parking

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2020

2021

BISNOW CITIES EVENTS CAREER DEVELOPMENT ABOUT

Despite being rejected for a property tax break, a notable Buckhead developer plans to move forward with his next mixed-use project anyway.

Loudermilk Cos. filed permits Dec. 20 to begin land disturbance work at 359 East Paces Ferry Road in the Buckhead Village — currently a surface parking lot — that will make way for a more than 200K SF mixed-use project. The permit will allow Loudermilk to prep the site to go vertical with a 12-story office and retail tower.

The permit comes weeks after the Fulton County Development Authority rejected a $2M incentive package for Loudermilk on the project that would have deferred more property taxes over a decade, the Reporter Newspapers reported.

“We just decided to move forward without it,” Loudermilk Cos. CEO Robin Loudermilk told *Bisnow* Thursday.

The project is set to include 100K SF of boutique office space, a parking deck and retail space. Loudermilk said the firm is in talks for construction financing, but said the firm could break ground as early as February or March.

“We don't have it locked down, [but] we're close,” he said.

Dear Mr. Turpeau,

The Loudermilk Companies has interest in coming back before the board of the Development Authority of Fulton County for re-consideration for bond inducement of 359 East Paces, a proposed project to be located at 359 East Paces Ferry Rd, Atlanta, GA, 30305. 359 East Paces is a 155,000 square foot office building which would serve the community well in that through the occupancy of its tenants, will create many new jobs and increased tax revenue.

Unfortunately, the project sits a vacant site at this time and cannot move forward due to market conditions, significantly affected by the pandemic. Now more than ever, tax incentives are needed to make the project economically feasible and aid in the necessary confidence to execute the project. Your consideration is much appreciated.

Sincerely,

Charlie Loudermilk

Robert C. “Charlie” Loudermilk III

Director, Investments and Development
The Loudermilk Companies

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Without Incentives, We Missed Out

Economic Impact

- **$45 million** in new capital investment
- **$5,745,805** in net new property taxes including approximately **$2.7 million** for APS
- More than **8.3 times** in new property taxes

Community Benefits

- Pedestrian and bike-friendly area
- Burial of power lines
- Additional security in Buckhead
- 900 permanent, full time jobs
- 100 construction jobs

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What’s Next?

Call to Action

We are researching areas that need to be addressed to improve and expand our services:

- More investment and development south of I-20
- True workforce and affordable housing
- Community retention/revitalization