



The Development Authority of Fulton County Newsletter

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DAFC's e-Newsletter

Welcome to the Development Authority of Fulton County's (DAFC) e-newsletter. Each quarter, we will bring to you the latest economic development news in Fulton County.

We welcome the opportunity to explore taxable and tax-exempt revenue bond financing options and can assist in identifying all existing resources and incentives available to your organization. We invite you to contact us directly at 404-612-8078 or search our website at www.developfultoncounty.com for additional information.

From the Chairman... Robert J. (Bob) Shaw



Economic Development and Taxes - A Case of Simple Math

Critics regularly assail local and state economic development initiatives, claiming that tax incentives cost school systems and other government agencies significant tax collections each year. Sadly, these critics lack a basic understanding of the math involved in economic development packages like those offered by the DAFC.

To demonstrate how incorrect these critics truly are, let me carry you through the basic math involved in tax collections related to some recent DAFC's projects. The simple chart below shows that DAFC, rather than costing tax revenue for either the county, the county school system and its municipalities, has a major positive impact on tax revenues for each.

Buckhead Atlanta Dev	Atlanta	\$ 1,480,000.00	\$ 69,870.00	\$ 57,600,000.00	\$ 1,335,123.00	\$ 1,265,253.00
CPT Morningside Heights, LLC	Atlanta	\$ 52,711.00	\$ 2,286.00	\$ 4,800,000.00	\$ 108,815.00	\$ 106,529.00
HICO Avalon, LLC	Alpharetta	\$ 432,595.00	\$ 16,500.00	\$ 26,000,000.00	\$ 452,082	\$ 435,582.00
SCP Oakley Owner LLC	Fairburn	\$ 280,000.00	\$ 11,769.00	\$ 15,400,000.00	\$ 623,082	\$ 611,313.00

If you think this is a cherry-picked list, I assure it isn't. Virtually every

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project we do generates similar positive tax collections. Further, the amount of tax goes up each year as the incentives decrease five percent annually over the next ten years.

Nor does this calculation include income, sales, property and other taxes generated from the temporary and permanent jobs the projects produce.

Further, any future property value increases are captured by the assessors, which also adds to collections. So, you see, this is pretty simple math ... simple enough for even the most hardened critics to understand if they are truly objective.

WellStar Health System, Inc.:

The DAFC recently closed a tax-exempt bond transaction in the amount of \$328,900,000. The tax-exempt revenue bonds were issued to refinance three hospitals WellStar purchased from Tenet Healthcare, including Atlanta Medical Center (downtown campus), Atlanta Medical Center (south campus), and North Fulton Hospital.



The three hospitals employ approximately 3,111 people. WellStar originally used a bridge loan to purchase these facilities before approaching the DAFC to provide federally tax-exempt revenue bonds for long-term refinancing.

WellStar is a non-profit corporation and any savings the hospitals generate are reinvested back into the hospitals to provide better community service.

The Kroger Co. Northside:



The DAFC recently closed a taxable bond transaction for \$34 million to develop an 82,000-square foot grocery store and two-level parking deck located on 17

th Street NW and Northside Drive NW near Interstate 75/85. In addition to the grocery store and parking deck, the project also includes a sit-down restaurant, bank and fuel center.

This Project will revitalize the area, making it a true live, work and play community. The site has a current assessed value of

approximately \$1,881,720. The development of the project will increase that appraised value to an estimated fair market value of approximately \$34 million-a significant increase in property taxes will be generated by this new investment.

The project will also contribute increased sales taxes. Overall, the project will create 150 new full-time jobs.

Warehouse Properties, L.P.:

The DAFC recently closed a taxable bond transaction totaling \$17,500,000 to expand Tie Down Engineering's manufacturing operations at 605 Stonehill Drive SW in South Fulton County. Tie Down Engineering has manufacturing facilities in South Fulton servicing six product divisions and over 7,000 individual projects.



The company is expanding its product line to incorporate a form of renewable energy technology known as "wave energy." Wave energy utilizes the energy of the ocean waves to do useful work such as generate electricity, water desalination, or water pumping.

To expand their product line, Tie Down needed to acquire land, an approximately 150,000 square foot building and additional manufacturing machinery and equipment. Currently, Tie Down has approximately 400 employees, and expects to create another 100 new manufacturing jobs.