



Underground Atlanta  
86 Pryor Street SW, Suite 300  
Atlanta, GA 30303  
404.880.4100

**THE HOLLOWELL/M.L. KING  
TAX ALLOCATION DISTRICT**

**PROGRAM DESCRIPTION AND  
APPLICATION FOR FUNDING**

## **OVERVIEW**

### **THE ATLANTA DEVELOPMENT AUTHORITY**

The Atlanta Development Authority (“ADA”) is a public body corporate and politic and an instrumentality of the City of Atlanta to promote the revitalization and growth of the City. It represents a consolidation of the City’s economic and community development efforts in real estate, finance, marketing and employment, for the purpose of providing a focal point for improving Atlanta’s neighborhoods and the quality of life for all of its citizens. ADA is the cornerstone of an overall effort to provide economic and redevelopment services in a more effective and efficient manner.

### **TAX ALLOCATION DISTRICTS**

Also known as Tax Increment Financing (“TIF”), Tax Allocation Financing is a redevelopment and financing tool by which governments can provide financial assistance to eligible public and private redevelopment efforts within an officially designated area or tax allocation district (“TAD”). Increases in property tax revenues, which are generated primarily from new investment in the district, are allocated to pay infrastructure costs or certain private development costs within the TAD. “Pay-as-you-Go” (“Pay Go”) financing is funding to reimburse a developer for costs already incurred as new tax increment is generated. Pay Go structures do not issue tax allocation district bonds like previous Atlanta TADs. The developer is responsible for providing up-front financing for the total project cost. Project funding is contingent upon the satisfaction of policy goals and program requirements. The developer’s financing institution is responsible for underwriting the project, thus assuming all real estate risk.

### **THE HOLLOWELL/M.L. KING TAX ALLOCATION DISTRICT**

In 2005, the Atlanta Development Authority commissioned a study entitled *Analysis of Incentives to Encourage Investment in Underserved Areas*. The study identified opportunities appropriate for alternative economic development tools to spur redevelopment in areas of the City that have historically suffered from disinvestment. The study ranked the Hollowell Parkway and Martin Luther King Jr. Drive among the top areas in terms of redevelopment potential.

The ultimate goal for the Hollowell/M.L. King TAD is to encourage private investment in the City’s west and northwest sectors by offering financing incentives that will help ameliorate the current conditions contributing to disinvestment and marginal use of the property. The Hollowell/M.L. King TAD will provide inducement for certain major new developments that will spur more desirable and sustainable, market-based commercial and residential development in this area. With careful planning and guidance, both Hollowell Parkway and Martin Luther King Jr. Drive – and their surrounding communities – can be transformed into desirable, viable commercial and pedestrian-friendly communities.

This vision is articulated in the 2003 *Hollowell Redevelopment Plan*:

- A community that is one of the most desirable locations in the City of Atlanta to live work and play;
- A community of supportive neighborhoods. . . that is sensitive to its historical resources, safe from crime, economically vital, and serviced by good quality schools;
- A community that provides a healthy mix of housing, retail, employment, industrial, and civic places, that provides housing that is affordable and appropriate for all segments of the community and that actively protects its environmental resources; and
- A community that provides excellent, convenient, and safe access to its transit facilities by all means of transportation.

The Hollowell/M.L. King TAD will strengthen the City's ability to promote truly balanced economic growth by directing one of its key economic development tools – a TAD – toward revitalizing a collection of neighborhoods that have been identified by the City as being in need of such support.

The TAD area consists of approximately 886 acres within three identified development sub-areas. The Hollowell/M.L. King TAD encompasses the Donald L Hollowell Parkway Corridor and surrounding areas bordered by Hollywood Boulevard to the east (Perry Bolton TAD boundary) and the Atlanta city limit on the west at Riverview Road. The TAD also includes a portion of the Martin Luther King Jr. Drive Corridor extending from West Lake Avenue on the east to Old Gordon Road near the City's western boundary. A map of the Hollowell/M.L. King TAD boundaries is attached. The district intersects with Neighborhood Planning Units G, H, I, J and K.

## **ELIGIBILITY & REQUIREMENTS**

### **ELIGIBLE DEVELOPMENTS**

The Hollowell/M.L. King TAD is designed to stimulate the creation of a vibrant corridor, envisioned with the redevelopment of the following three key sub-areas:

- Center Hill Neighborhood District
- James Jackson Parkway Commercial Core
- Woodmere Residential District

All three nodes offer potential as primarily mixed-use nodes designed to support higher intensity uses, activities and densities. In addition, there are other development opportunities within the TAD that show great potential for TAD-facilitated redevelopment:

- Bowen Homes
- Bankhead Courts
- H.E. Holmes MARTA Station
- West Lake MARTA Station
- Natatorium Center
- Adamsville Village

These potential development sites can support a variety of types of commercial and/or residential development that are consistent with the recommendations of the Plan Corridor Report. In addition, the development potential of two MARTA stations (H.E. Holmes and West Lake) will be a focus in implementing transit-oriented development within the TAD, allowing a synergistic combination of TAD financing power to facilitate development both within the Parkway corridor itself as well as at the MARTA stations.

Eligible developments will:

- Create appropriate transportation linkages between the commercial corridors and the neighborhoods
- Create entryways to define, unify and establish a distinct identity for the area
- Improve public safety
- Target specific commercial nodes for rehabilitation
- Create a transit-oriented, mixed-use development node around the MARTA Stations
- Promote reutilization of abandoned or underutilized industrial and commercial buildings and maintain live/work opportunities
- Utilize brownfield and vacant/underutilized properties
- Encourage preservation of natural resources

## **KEY POLICY COMPONENTS**

ADA, as Redevelopment Agent for the City of Atlanta is charged with promoting and implementing economic development activities within the City of Atlanta's Tax Allocation District Program. In doing so, ADA will apply the following policies in its role as Redevelopment Agent<sup>1</sup>:

- **Redevelopment Plans:** Approved projects must be consistent with goals and objectives of the applicable redevelopment plan(s).
- **Projects:** The optimal use of public dollars will be sought. Projects proposed for inclusion in the Tax Allocation District Program will be assessed for their economic viability, based in part on current and near term market demand and likely product absorption. Projects based largely on speculative office space, and other high-risk uses, will be less favorably received unless the project would meet a clear public purpose goal.
- **"But For Test":** ADA will strive to limit TAD funding to those projects that would not be economically feasible without public subsidy. The existence of a project within the TAD area does not automatically entitle the developer to receive TAD proceeds. Projects receiving proceeds may include the foregoing, as well as projects contributing to various public purpose goals and infrastructure improvements consistent with the redevelopment plan. The amount of funding granted to a specific project may vary by project: (a) in order to address public purpose goals; (b) based on the assessment of financial need made by ADA; and (c) other factors as determined by ADA.
- **Equity:** Developer equity, including but not limited to land value and cash at risk, will be invested in the project before TAD funding is made available.
- **Funding:** TAD funding approval should be obtained before start of construction on qualified projects. Unless a specific exception is granted by ADA, TAD funds are disbursed to developers as increment is created.
- **MBE/FBE Utilization:** Developers will use best efforts to comply with the City's Equal Business Opportunity Program<sup>2</sup> with respect to the participation of minority business enterprises, female enterprises, disadvantaged business enterprises and business enterprises located within the City of Atlanta, in all business opportunities which relate to the project.
- **Employment Notification and Recruitment:** Developers shall comply with the City's First Source Job Policy<sup>3</sup>, with respect to the hiring and training of low-income City of Atlanta residents, as administered by the Atlanta Workforce Development Agency.

## **COMMUNITY BENEFIT REQUIREMENTS**

Fundamental to ADA's mission and criteria for investment are positive community impacts. All projects will include a close analysis of the community impacts and consistency with the public engagement process. ADA favorably looks upon projects that achieve one or more of the following targeted community impacts:

- Create or maintain jobs for Low-Income Persons or residents of Low-Income Communities
- Increase wages or income for Low-Income Persons or residents of Low-Income Communities

<sup>1</sup> All policies and procedures will be consistent with all applicable rules and regulations, including but not limited to city legislation, state and federal tax law, and the Official Code of Georgia, Title 36, Chapter 44.

<sup>2</sup> Code of Ordinances of the City of Atlanta, Part Two Article X, Division 12.

<sup>3</sup> Code of Ordinances of the City of Atlanta, Part Two Article XI, Division 1.

- Finance or assist businesses owned by residents of, or otherwise committed to remain in, the Low-Income Communities
- Finance or assist minority- or women-owned businesses, or businesses owned by Low-Income Persons
- Finance or assist businesses (including non-profit organizations) or real estate projects that provide childcare, healthcare, educational or other benefits to Low-Income Persons or residents of Low-Income Communities
- Facilitate wealth-creation or asset accumulation by Low-Income Persons or residents of Low-Income Communities
- Provide goods and services to Low-Income Persons or residents of Low-Income Communities
- Create certifiable environmentally sustainable outcomes

ADA will use community benefits as a requirement for projects requesting TAD funding and projects will be evaluated based upon positive community impacts as listed above. ADA requires developers and businesses receiving funding to enter into development agreements that detail positive community impacts.

### **HOLLOWELL/M.L. KING TAD FINANCING PROCESS**

The Hollowell/M.L. King Tax Allocation District financing process includes, but is not limited to, the following steps:

1. In order to determine eligibility of a project for TAD financing, interested applicants shall:
  - a. Contact ADA to arrange an initial meeting to discuss the viability of your proposed project.

Wyman Winston  
Deputy Director – Tax Allocation Districts  
Atlanta Development Authority  
(404) 614-8307

Tyrone Rachal  
Senior Development Manager – Tax Allocation Districts  
Atlanta Development Authority  
(404) 614-8339

- b. Complete the Hollowell/M.L. King TAD Application, packaged in 3-ring binders with content, tabs, formatting and order of data identical to that of the attached Application. Three copies of completed applications shall be submitted to ADA, accompanied by the non-refundable application fee. In addition, an electronic version of all materials shall be submitted.
2. Upon receipt of an application, ADA staff will review the application for content and completeness. Incomplete applications will not be processed. (An application will be considered received only when it is complete and the application fee has been paid.) ADA reserves the right to select and employ third party consultants to assist in the analysis and review of the proposed project, its financing and the associated tax increment. The applicant shall pay the cost of such ADA consultants, whether or not the project is constructed.
3. After the application has been reviewed for consistency with City goals, and received an initial favorable evaluation, ADA staff will convene an Advisory Committee Meeting with the Hollowell/M.L. King TAD Advisory Committee. Developers are required to attend the Advisory Committee Meeting.

The Advisory Committee's role is to give a recommendation to the ADA Board, which has the authority to approve projects for Tax Allocation District Financing. The Advisory Committee will either recommend TAD funding to support a project or decline the project. (Note: The ADA Board has the authority to approve projects that have not been recommended by the Advisory Committee.)

If the project is not recommended for TAD funding by the Advisory Committee, the Developer may: (1) request that the project be considered by the ADA Board without Advisory Committee support, (2)

modify the project and resubmit it to the Advisory Committee at a later date or (3) withdraw the project.

4. After the Advisory Committee issues a recommendation, ADA staff will place the project on the next appropriate ADA Board Meeting Agenda. The Developer will be notified when ADA's Board will consider their project for funding. Developers are required to attend the ADA Board Meeting and be prepared to answer questions from the Board regarding their project.
5. Developers of approved projects will be required to enter into a "Development Agreement" with the City of Atlanta. The "Development Agreement" outlines the relationship between the Developer, ADA, and the City. It also details disbursement of TAD proceeds.
6. ADA and the City of Atlanta's Finance Department will submit the proposed projects for City Council Approval.
7. Application Expiration due to Project Delay: If construction is not commenced within six (6) months of TAD funding approval by the ADA Board, the Application may be declared null and void. In this case, a new application, along with fees, would be required to reconsider the transaction at a later date.
8. Material Project Changes: The amount and timing of TAD proceeds may change if the underlying deal and/or associated sponsorship change materially, regardless of whether the original transaction has already been approved by the ADA Board. At ADA's option, a new application, along with fees, may be required to reconsider a significantly different transaction.

