



Northwest Atlanta I (King Plow) - 1998 UEZ

URBAN ENTERPRISE ZONES

2018 ANNUAL REPORT

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A BRIEF HISTORY OF UEZ

In 1983, the Georgia General Assembly approved legislation to allow for the creation of Urban Enterprise Zones (UEZ) in the City of Atlanta. The legislation creates an opportunity for developers to access a 10-year tax abatement on property improvements on equitable projects in designated areas of the city.

The goal of the program is to incentivize development in neighborhoods struggling to recruit impactful projects.

UEZs can be used to incentivize industrial, commercial, affordable housing, and mixed use projects. In the early years of the program, there were many commercial district projects and industrial developments. The UEZ program has been used to varying degrees over the past 30+ years, seeing periods of focused usage. During a brief revitalization period in the early 00s, there was a focus on using UEZ designation for affordable housing. In the late 90s there was a focus on mixed-use and industrial projects like Northwest II and The Met (both highlighted in this report).

Overall, UEZs have been successful in spurring development, creating jobs, and expanding the city's affordable housing stock.

This report details active UEZ projects and makes recommendations on how to effectively use this tool to guide equitable development throughout the city.



Fulton Bag and Cotton Mill Lofts - 1995 UEZ

URBAN ENTERPRISE ZONES

METHODOLOGY



Castleberry Hill - 1995 UEZ

DATA COLLECTION

Fulton County Tax Commissioner

The office of the Fulton County Tax Commissioner provided the list of active UEZs, parcel IDs, project name, current assessed value and pre-UEZ assessed value (when possible), tax digest, and current abatement percentage for each active UEZ

Georgia Department of Community Affairs

The Georgia DCA provided information for Housing UEZ compliance including: the current number of affordable housing units, current total housing units, the number of units available for residents of varying AMI percentages.

The City of Atlanta Office of Revenue

The Office of Revenue provided information to track the businesses in operation on Commercial and Industrial UEZs. The information received from this office includes: number of businesses in operation on active UEZs, the number of employees employed at businesses on UEZ properties, the revenue generated by businesses on active UEZs.

A NOTE ABOUT THE REPORT

The last annual report completed for the UEZ program was submitted in 2004. Since that time quite a few UEZ projects have come on board and even more have expired. The available information about these projects is limited. The primary goal of this report is to provide an update to the current state of affairs for active UEZs and give context for its potential to be used by the city to incentivize equitable development across the city.



Porsche Headquarters - 2015 UEZ

CURRENT STATE OF UEZ

AN EQUITY TOOL

The UEZ program currently has 15 active projects. The portfolio includes Housing, Industrial, and Commercial projects.

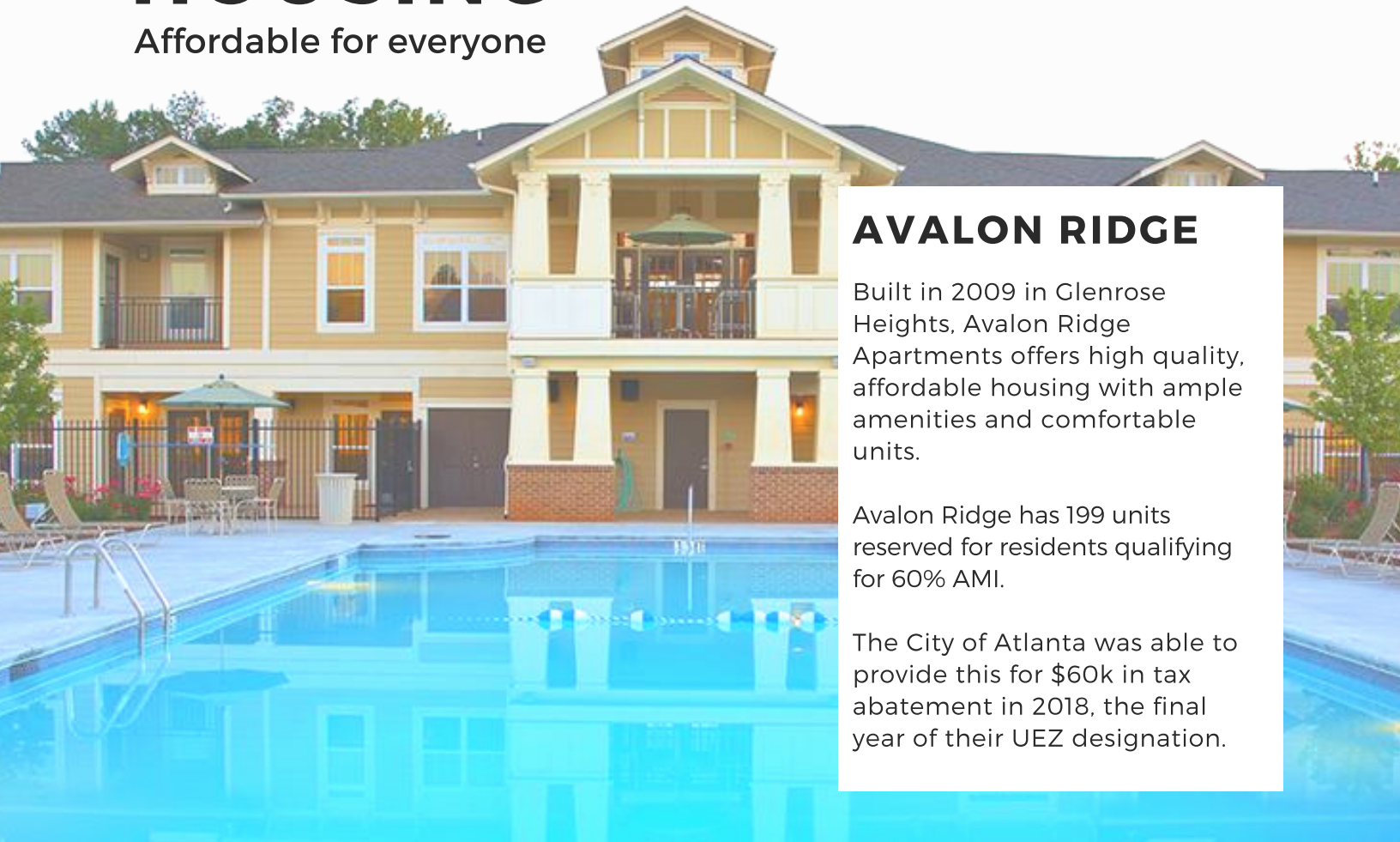
The UEZ program effectively incentivizes equitable development across the city. By delaying the city's increase in property taxes for the first few years of a new development, the city has been able to use these projects to significantly increase the tax digest while supporting job creation, economic development, and affordable housing in distressed neighborhoods across the city.

UEZ AT A GLANCE

15	Active UEZs
539	Affordable Housing Units
100%	of Affordable Housing for 60% AMI or below
139	Businesses in operation
1129	Jobs Created
\$555_M	Business revenue
\$499_M	Property value of active UEZs

HOUSING

Affordable for everyone



AVALON RIDGE

Built in 2009 in Glenrose Heights, Avalon Ridge Apartments offers high quality, affordable housing with ample amenities and comfortable units.

Avalon Ridge has 199 units reserved for residents qualifying for 60% AMI.

The City of Atlanta was able to provide this for \$60k in tax abatement in 2018, the final year of their UEZ designation.

75%

The active housing UEZs have at least 75% of their units reserved for 60% AMI or below.

6

There are 6 active housing UEZS

539

Current affordable housing units in active UEZs

Housing UEZs are highly efficient at producing and incentivizing Affordable Housing development. By encouraging equitable and sustainable housing, the tool can be leveraged to help meet the Mayor's anti-displacement agenda with a high return on investment for the city.

539

The total number of affordable housing units provided by active UEZs.

\$325

The city abated \$175k in taxes in 2018 to provide these affordable units. That breaks down to only \$325 per unit (60% AMI or below).

INDUSTRY

Building a Strong Workforce



THE MET

Formerly named Candler Warehouse after Assa Candler, this massive 1 Million sq. ft. 1914 warehouse in Adair Park was brought back to life with this 1996 UEZ. After being condemned by the City of Atlanta in 1981, the UEZ gave it a new lease on life, creating space for small businesses and local entrepreneurs to thrive.

During 2017, The Met was home to 59 small businesses ranging from film and fashion to landscaping and artisan crafts.

485

Jobs created in 2017 on active Industrial UEZs

83

Businesses in operations on active Industrial UEZs

\$350M

Revenue generated by businesses operating in active Industrial UEZs

COMMERCIAL

Fueling the City's Economy

325%

Increase in taxable property values over the life of the active Commercial UEZs

644

Jobs created in 2017 on active Commercial UEZs

56

Companies in operations on active Commercial UEZs

\$204M

Revenue generated by businesses operating in active Commercial UEZs



OCTANE COFFEE

Taking up a large part of West Midtown, Northwest II has been one of the most successful UEZs at generating economic development in previously abandoned or undesirable land.

The success of this project has created an affordability crisis in the surrounding area. Future UEZs should insert equity requirements into commercial projects to ensure that these developments yield a more equitable Atlanta.

TAX REVENUE

Making Something out of Nothing

UEZs are most often used to develop abandoned, underused, or brownfields. The properties prior to the UEZ-incentivized development, tend to generate very small amounts of tax revenue for the City of Atlanta. Through this program, the city foregoes the increase in property tax revenue (but not business revenue) for the first 5 years. This calculated loss, allows the city to increase the level of investment in less typical neighborhoods and increase the property tax base in the long run. The taxable property values for active UEZs (particularly commercial and industrial) has skyrocketed during the life of the UEZ and now pay significantly more in property taxes that prior to the UEZ development.



\$57.7M

Increase in property value for the Porsche UEZ, developed on a former brownfield

579%

Increase in property values of active UEZs over the life of the abatement

\$413M

Total increase in property values of active UEZs over their lifespan

\$4.7M

Tax Revenue generated by active UEZs in 2018

\$1.8M

Tax Revenue abated by active UEZs in 2018

THE FUTURE OF UEZ: RECOMMENDATIONS

Create Pre-Qualification Areas for UEZs

- Create a GIS map using the distressed area criteria that can be used to identify pre-qualifying areas of the city to inform developers of incentives in certain neighborhoods.
- Position the UEZ program as a 'gap' incentive program for areas in distressed neighborhoods that are not supported by a TAD (UEZs are ineligible in TADs).
- Develop a list of focus areas to highlight incentive opportunities for developers creating equitable projects.

Create legislation to require local hiring for projects

- Require that all new UEZs hire a percentage of their workforce locally. This could also connect to workforce development programs to aid career pipeline building.
- Mandate the local hiring requirement for the life of the UEZ.
- Require living wage mandates or funding of workforce development programs.

Layer as stackable incentive

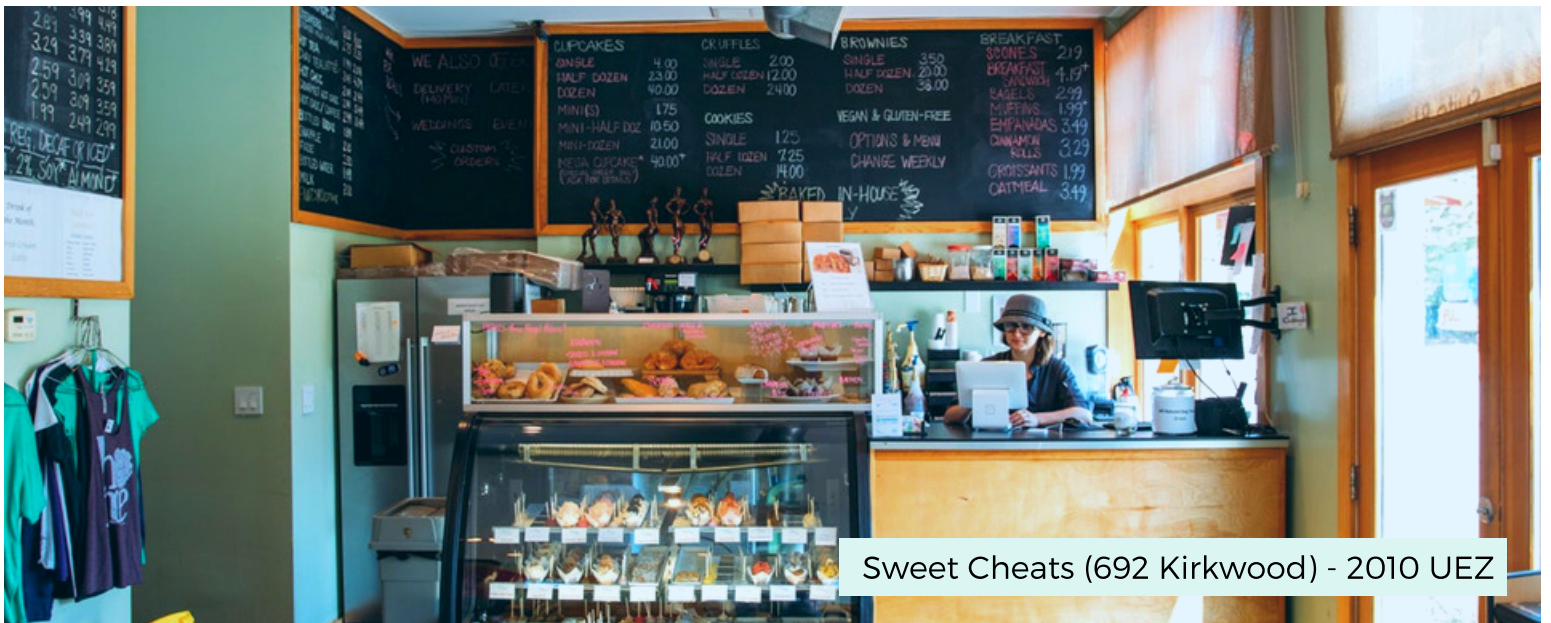
- Leverage stackable incentives by increasing the requirement to receive the incentive when stacking multiple incentive programs.
- For example: if a developer is already receiving incentives for 20% affordable housing, acceptance to the UEZ program would require the percentage to increase to 30%.
- Use extra incentive package to require local hiring and better wages.

Build internal capacity

- Hire a Real Estate Project Manager to oversee the program and a Compliance Manager to coordinate compliance monitoring for UEZ and similar programs.
- Create a cross-functional UEZ committee to review applications, make legislative recommendations, and oversee program compliance. The committee should include members from Housing, Economic Development, Buildings and Zoning, Invest Atlanta, etc.
- Develop program operations manual to guide implementation of the program.

Develop a plan to re-launch the program

- Create program operations manual for program re-boot.
- Build necessary internal capacity: staffing and committee formation.
- Develop timeline for 2019 re-launch.
- Craft legislation to require local hiring on new UEZ projects.
- Develop marketing strategy to draw new interest in UEZ .



Sweet Cheats (692 Kirkwood) - 2010 UEZ



QTS Data Center (Space Center) - 1996 UEZ



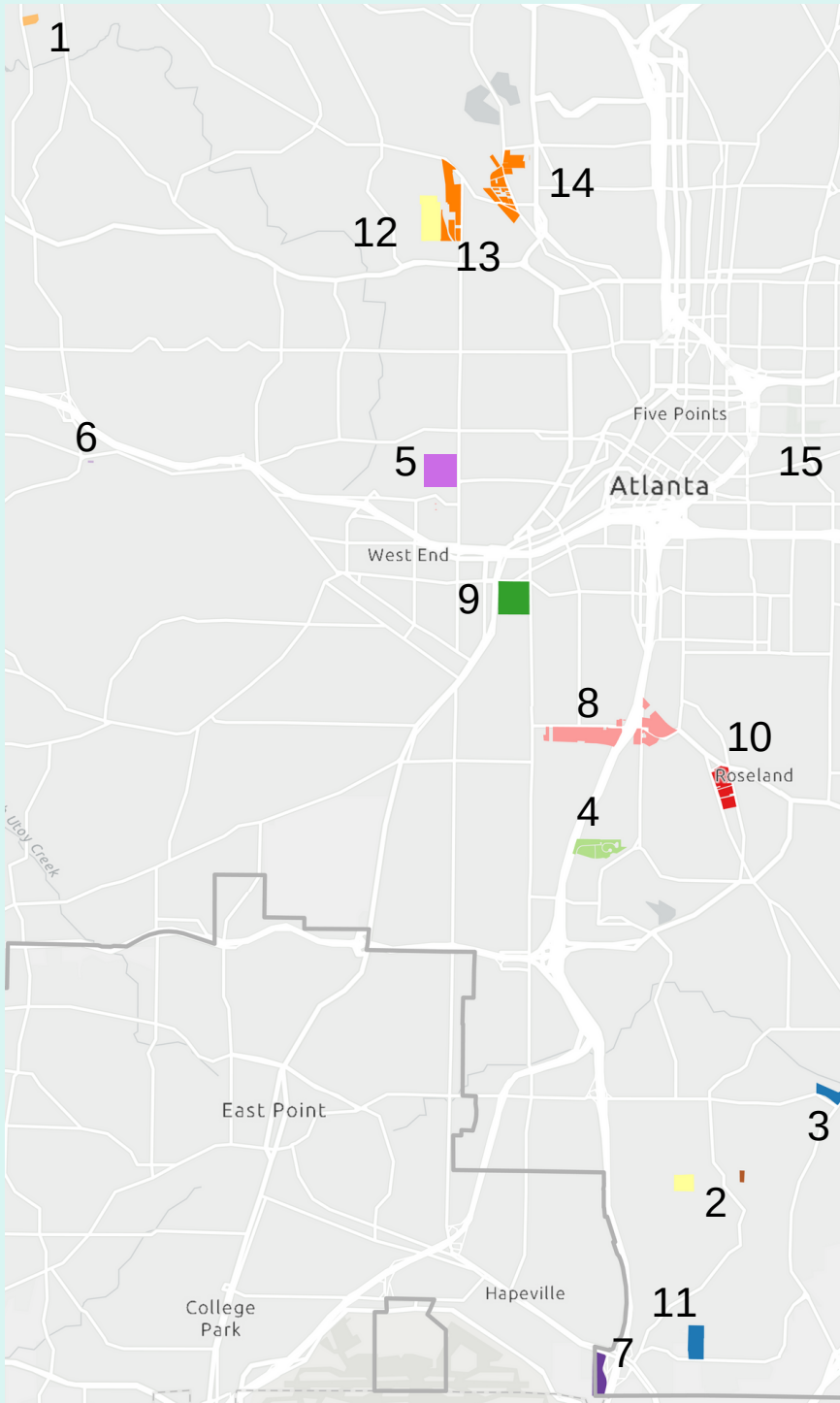
Fairlie-Poplar District - 1997 UEZ

URBAN ENTERPRISE ZONES



The UEZ program has the potential to be significantly expanded and used to promote and incentivize equitable development in Atlanta. It has the flexibility to impact a wide range of projects and push for thoughtful and equitable development as Atlanta grows.

Appendix I: Map of Active UEZs



1. Manor @ Scotts Crossing
2. Terrace @ 183
3. Aston Village at Browns Mill
4. Amal Heights
5. Ashley @ Collegetown
6. Oridan at Willis Mill
7. Porsche
8. Capitol View
9. Candler Warehouse
10. Hill Manufacturing
11. AMB Industrial
12. Space center
13. Northwest Atlanta I
14. Northwest Atlanta II
15. 692 Kirkwood Ave.

Appendix II: Active UEZs

Housing

1. Manor @ Scotts Crossing



2012-2021 (80%)
Housing UEZ
10-O-0499
Scotts Crossing
NPU: C
District: 9

Total Units: 100
50% AMI Units: 15
60% AMI Units: 85

2018 Tax Abatement: \$83,216

Increase in taxable value of property since inception: \$5,30,900

2. Avalon Ridge (Terrace @ 183)



2009-2018 (20%)
Housing UEZ
05-O-1504
Glenrose Heights
NPU: Z
District: 12

Total Units: 222
60% AMI Units: 199

2018 Tax Abatement: \$60,312

Increase in taxable value of property since inception: \$8,680,700

3. Aston Village at Browns Mill



2008-2018 (20%)
Housing UEZ
07-O-2453
Browns Mill Park
NPU: Z
District: 12

Total Units: 100
30% AMI Units: 10
50% AMI Units: 24
60% AMI Units: 43

2018 Tax Abatement: \$12,596

Increase in taxable value of property since inception: \$4,355,400

4. Amal Heights



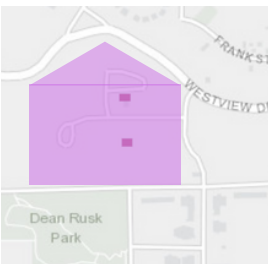
2008-2018 (20%)
Housing UEZ
08-O-0012
Amal Heights
NPU: Y
District: 12

Total Units: 193
60% AMI Units: 163

2018 Tax Abatement: \$19,035

Increase in taxable value of property since inception: \$1,224,000

5. Collegetown @ West End



2012-2021 (40%)
Housing UEZ
08-O-0900
Ashview Heights
NPU: T
District: 4

Affordable Units Created: n/a*

2018 Tax Abatement: \$56,979

Increase in taxable value of property since inception: \$6,628,700

*Unable to confirm number of current units; 770 units proposed in the original legislation.



6. Oridan at Willis Mill

2012-2021 (80%)
Housing UEZ
11-O-0362
Florida Heights
NPU: I
District: 10

Affordable Units Created: n/a*
2018 Tax Abatement: \$3,015
Increase in taxable value of property since inception: \$223,200

Industrial



7. Porsche

2015-2024 (100%)
Industrial UEZ
13-O-1082
Poole Creek
NPU: Z
District: 12

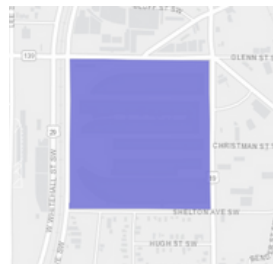
Jobs Created: 40
Businesses revenue: \$2M
Number of Businesses: 1
2018 Tax Abatement: \$852,060
Increase in taxable value of property since inception: \$57,776,100



8. Capitol View

1997-2021 (20%)
Industrial UEZ
96-O-9788
Adair Park
NPU: V
District: 12

Jobs Created: 144
Businesses revenue: \$70.6M
Number of Businesses: 16
2018 Tax Abatement: \$39,256
Increase in taxable value of property since inception: \$6,755,700



9. The Met (Candler Warehouse)

1996-2020 (20%)
Industrial UEZ
95-O-1228
Pittsburgh
NPU: V
District: 12

Jobs Created: 107
Businesses revenue: \$12.3M
Number of Businesses: 59
2018 Tax Abatement: \$28,705
Increase in taxable value of property since inception: \$9,745,100

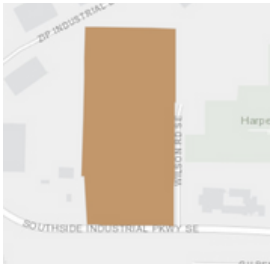


10. Hill Manufacturing

1997-2021 (20%)
Industrial UEZ
96-O-1304
South Atlanta
NPU: Y
District: 1

Jobs Created: 49
Businesses revenue: \$4.5M
Number of Businesses: 2
2018 Tax Abatement: \$91,928
Increase in taxable value of property since inception: \$670,600

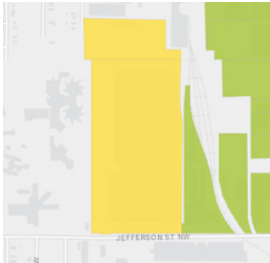
*Unable to confirm number of current units; 16 affordable units proposed in original legislation.



11. AMB Industrial

2008-2018 (20%)
Industrial UEZ
07-O-2452
Poole Creek
NPU: Z
District: 12

Jobs Created: 21
Businesses revenue: \$22M
Number of Businesses: 2
2018 Tax Abatement: \$7,324
Increase in taxable value of property since inception: \$1,776,700



12. Space Center

1996-2020 (20%)
Industrial UEZ
95-O-1206
West Midtown
NPU: K
District: 3/9

Jobs Created: 124
Businesses revenue: \$238M
Number of Businesses: 3
2018 Tax Abatement: \$141,892
Increase in taxable value of property since inception: \$47,097,600

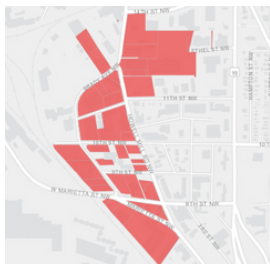
Mixed-Use Projects



13. Northwest Atlanta I

1998-2022 (20%)
Mixed-Use C/I UEZ
97-O-1284
West Midtown
NPU: K
District: 3/9

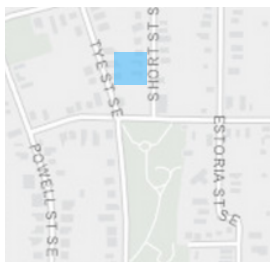
Jobs Created: 34
Businesses revenue: \$12.7M
Number of Businesses: 2
2018 Tax Abatement: \$38,216
Increase in taxable value of property since inception: \$7,878,599



14. Northwest Atlanta II

1998-2022 (20%)
Mixed-Use C/I UEZ
97-O-1283
West Midtown
NPU: K
District: 3/9

Jobs Created: 600
Businesses revenue: \$191M
Number of Businesses: 52
2018 Tax Abatement: \$426,069
Increase in taxable value of property since inception: \$254,485,403



15. 692 Kirkwood Ave.

2010-2019 (40%)
Mixed-Use R/C UEZ
09-O-1413
Cabbagetown
NPU: N
District: 5

Jobs Created: 10
Businesses revenue: \$814K
Number of Businesses: 2
2018 Tax Abatement: \$12,596
Increase in taxable value of property since inception: \$493,00