



DeKalb County Government

Manuel J. Maloof Center
1300 Commerce Drive
Decatur, Georgia 30030

Agenda Item

File ID: 2021-2369

Substitute

8/10/2021

Public Hearing: YES NO

Department: Board of Commissioners - District 2

SUBJECT:

Commission District(s): All Commission Districts

A Resolution Conveying the Policy of DeKalb County concerning a Property Tax Abatement for the Manor Druid Hills Apartment/Hotel/Medical/Office Project in the City of Brookhaven

Information Contact: Jeff Rader and Ted Terry, Commissioners

Phone Number: 404-371-2693

PURPOSE:

To Enact A Resolution Conveying the Policy of DeKalb County concerning a Property Tax Abatement for the Manor Druid Hills Apartment/Hotel/Medical/Office Project in the City of Brookhaven.

NEED/IMPACT:

This resolution opposes the transaction as structured and explained in the attached July 16, 2021 letter from Mayor Ernst of Brookhaven. This resolution shows the County's support of a transaction with the following different characteristics:

1. The Transaction will be structured to the standard graduated schedule with a ten year term, starting at 50% taxable, and increasing 5% per year until fully taxable in the 11th year, and
2. The Transaction shall provide for a Payment in Lieu of Taxes in an amount to ensure that the DeKalb County School District receives revenue in an amount equal to all tax revenues normally due were the project fully taxable to the DeKalb County School District over the term of the Transaction, and
3. The tax abatement generated by the Project shall apply to municipal ad valorem taxes to the same extent that it applies to County ad valorem taxes.

FISCAL IMPACT:

As proposed, the school district would receive payment in lieu of taxes equal to the revenue it would have received without the tax abatement. The abatement applies equally to the County and the City.

RECOMMENDATION:

Adopt the attached Resolution and authorize the Chief Executive Officer to execute all necessary documents.

Resolution
Conveying the Policy of the DeKalb County Governing Authority Concerning Property Tax Abatement for the Manor Druid Hills Apartment/Hotel/Medical Office Project in the City of Brookhaven

WHEREAS, by letter dated July 16, 2021, the Hon. John Arthur Ernst, Jr., Mayor of the City of Brookhaven has informed the Board of Commissioners of DeKalb County, Georgia of the proposed Manor Druid Hills Apartment/Hotel/Medical Office Project (the Project) located in the City of Brookhaven Georgia, and

WHEREAS, the City of Brookhaven Municipal Code legally mandates certain roadway and streetscape improvements for such new construction within their jurisdiction, and

WHEREAS, the City of Brookhaven Municipal Code legally mandates all new multifamily development to include a minimum proportion of units to be reserved and priced to be affordable to income qualified residents, and

WHEREAS, The Related Companies, a private developer has entitled an Apartment/Hotel/Medical Office Project (the Project) within Brookhaven that falls under these mandates, and

WHEREAS, The Related Companies has applied to the Brookhaven Development Authority for a Taxable Lease Purchase Incentive Bond Transaction (the Transaction) to offset the cost of public improvements and additional affordable housing over and above that required by the Brookhaven Municipal Code, and

WHEREAS, the City of Brookhaven is responsible, under the mutually ratified DeKalb County Service Delivery Strategy for the upkeep and improvement of its roadway network and public realm improvements, and

WHEREAS, DeKalb County supports the provision of additional affordable housing to complement the requirements of its municipalities, prioritizing additional housing for those earning very low incomes.

NOW BE IT THEREFORE RESOLVED, the DeKalb County Governing Authority opposes the Transaction as reflected in the correspondence from Mayor Ernst dated July 16, 2021, and attached hereto; however,

The DeKalb County Governing Authority will support a Transaction so presented to it with the following provisions:

1. The Transaction will be structured to the standard graduated schedule with a ten year term, starting at 50% taxable, and increasing 5% per year until fully taxable

in the 11th year, and

2. The Transaction shall provide for a Payment in Lieu of Taxes in an amount to ensure that the DeKalb County School District receives revenue in an amount equal to all tax revenues normally due were the project fully taxable to the DeKalb County School District over the term of the Transaction, and
3. The tax abatement generated by the Project shall apply to municipal ad valorem taxes to the same extent that it applies to County ad valorem taxes.

ADOPTED by the DeKalb County Board of Commissioners, this _____ day of _____, 2021.

STEPHEN R. BRADSHAW
Presiding Officer
Board of Commissioners
DeKalb County, Georgia

APPROVED by the Chief Executive Officer of DeKalb County, this _____ day of _____, 2021.

MICHAEL L. THURMOND
Chief Executive Officer
DeKalb County, Georgia

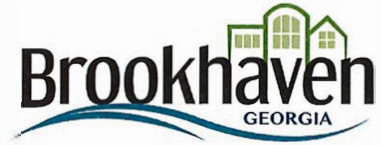
ATTEST:

BARBARA H. SANDERS-NORWOOD, CCC, CMC
Clerk to the Board of Commissioners and
Chief Executive Officer DeKalb County, Georgia

APPROVED AS TO SUBSTANCE:

APPROVED AS TO FORM:

VIVIANE H. ERNSTES
County Attorney



DeKalb County School Board

DeKalb County Board of Commissioners &
DeKalb Chief Executive Officer

Re: Economic Incentives for Project wholly within the City of Brookhaven

July 16, 2021

Dear Fellow Elected Officials:

I am writing today to apprise you of anticipated action by the Brookhaven Development Authority in the coming weeks. Our Development Authority has been asked to approve an Economic Development incentive transaction for the Manor at Druid Hills proposed by the Related Group, LLC.

As proposed, the Development Authority will consider approving a taxable leasehold transaction for a term of 10 years that is scheduled to yield not more than \$15,000,000 in economic incentives over the life of the transaction. Based on the information provided by the City's retained appraiser, there will be no net loss to any taxing authority from the existing revenues seen at the property. Additionally, the project will provide much needed, office space, hotel rooms and housing (including affordable and workforce housing) for the area surrounding the Children's Hospital of Atlanta and Emory University Hospital developments adjacent to Interstate 85.

The office building will create up to 220 high-paying medical practice jobs and the planned hotel will establish 140 hotel rooms in an area that currently has no quality hotel support. The multi-family portion of the project includes 20% of the property in the Workforce and Affordable Housing categories. These very necessary improvements to affordable housing options for DeKalb County families in no sense provide the sole basis of the economic incentive package. The evaluation model being used for the project follows precisely the leasehold evaluation previously approved by the DeKalb Board of Assessors and utilized by Decide DeKalb for many years. The schedule provides more than adequate funding for the School District's estimated increase in student population. The project also has the support of Decide DeKalb.

During the battle over annexation, the City established to the satisfaction of the Arbitration Panel that the project will address any needed and necessary infrastructure improvements in and around its location, improve connectivity, and address traffic concerns. The County's questions over sewer capacity are addressed by the Developer, as are necessary improvements to the North Druid Hills Bridge over Interstate 85 and other connectivity plans offered by the City and supported by increased tax revenue from this project.

We are happy to engage in constructive dialogue with any of you concerning this requested incentive project. The Development Authority will meet toward the end of next week to discuss an Incentive Resolution.

I hope you each, and your families, are safe and well. I look forward to working with you toward making a stronger and more equitable DeKalb.

Very truly yours,

A handwritten signature in blue ink, appearing to read "John Arthur Ernst, Jr.", is written over a blue circular stamp or seal.

John Arthur Ernst, Jr.
Mayor

City of Brookhaven

4362 Peachtree Road, Brookhaven, GA 30319

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www.brookhavenqa.gov