

DeKalb County Tax Allocation District #5:
Southwest DeKalb TAD
Redevelopment Plan

November 20, 2023

Prepared for:



and



Prepared by:



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1. Introduction

DeKalb County presents this plan (“Redevelopment Plan”) outlining the rationale, boundaries, fiscal data and potential projects that could result from the formation of DeKalb County **Tax Allocation District #5: Southwest DeKalb TAD**. This Redevelopment Plan was prepared in conformance with the provisions of Georgia’s Redevelopment Powers Law (O.C.G.A. Title 36 Chapter 44) that governs the creation and operation of Tax Allocation Districts (TADs) in the State of Georgia. Leadership in the preparation of this plan was provided by the Development Authority of DeKalb County d/b/a Decide DeKalb Development Authority (“Decide DeKalb”).

Why DeKalb County Would Benefit from a Tax Allocation District

DeKalb County, Decide DeKalb and their public and private partners have built a thorough base of planning and visioning for the Redevelopment of Southwest DeKalb County and its commercial corridors. While DeKalb County has seen strong growth in recent years, Southwest DeKalb has seen limited real property value growth, quality development, economic development, or investment in high-quality infrastructure. The Southwest DeKalb TAD would provide a useful tool to catalyze positive change and redevelopment in the area, resulting in:

- Supporting the prospective redevelopment of the dormant and moribund Gallery at South DeKalb Map into a vital, mixed-use town center as envisioned in the DeKalb County 2050 Unified Plan;
- Development of important segments of the South River Trail, linking local schools and trails together as well as integrating this part of Southwest DeKalb with the Atlanta Beltline;
- Redevelopment of the blighted, underdeveloped vacant structures and parcels along Candler Road;
- Initiatives and infrastructure to promote creative arts through jobs, business activity and education;
- Increased commercial and retail activity, leading to stronger economic benefits to DeKalb County through tax revenues, jobs and economic activity;
- Improved housing options, commercial buildings and public space;
- Affordable and workforce housing opportunities;
- Capital improvements for schools within the TAD area;
- Improved transportation infrastructure, sidewalks, and streetscapes;
- Increased bicycle and pedestrian connectivity;
- Enhanced quality of life for residents, workers, and visitors; and
- Higher property values and property tax revenues for DeKalb County and DeKalb County Schools.

Goal

The goal of DeKalb County **Tax Allocation District #5: Southwest DeKalb TAD** is to upgrade and enhance the areas of Southwest DeKalb County, including the Gallery at South DeKalb mall and its adjacent commercial corridors, and to encourage the private redevelopment of outmoded,

suburban mall and highway-oriented commercial land uses into modern development patterns to achieve the vision set forth in the 2050 DeKalb County Unified Plan.

Southwest DeKalb Area Vision

Southwest DeKalb has not experienced economic growth to the extent seen in other parts of the County. The area is characterized by underdevelopment, including low performing schools, underperforming retail space and food deserts. This Tax Allocation District is conceived to improve the conditions within the Southwest DeKalb area as a key tool in advancing the goals of both economic and community development. DeKalb envisions this area as the heart of a “Creative District” that can attract artists and creative entrepreneurs to a community, infuse new energy and innovation and enhance economic and civic capital. Creative Districts are hubs of economic activity, enhancing the area as an appealing place to live, visit and conduct business, as well as generating new economic activity.

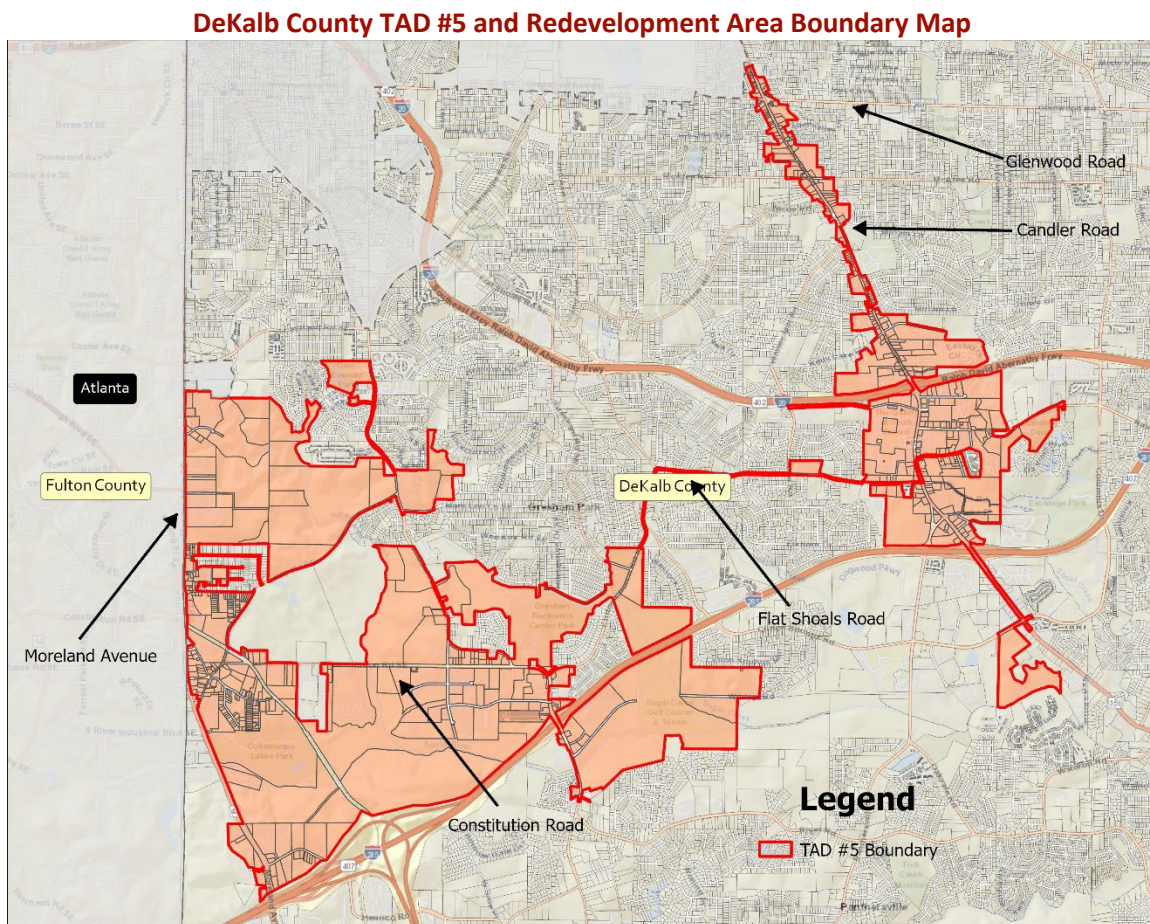
The vision of the Southwest DeKalb TAD is to catalyze redevelopment and infrastructure to support Creative District employment and education in the arts, design, media, information technology, science, engineering, education, research, and other knowledge-based professions. The expansion of Shadowbox Studios, as well as the synergies that exist between local educational institutions such as McNair High School, the DeKalb High School of Technology and Georgia State all have the potential to not only draw creative workers in from beyond DeKalb, but to create a new generation of creative workers from within DeKalb County.

2. Executive Summary of Redevelopment Plan and its Benefits

Boundaries of the Redevelopment Area

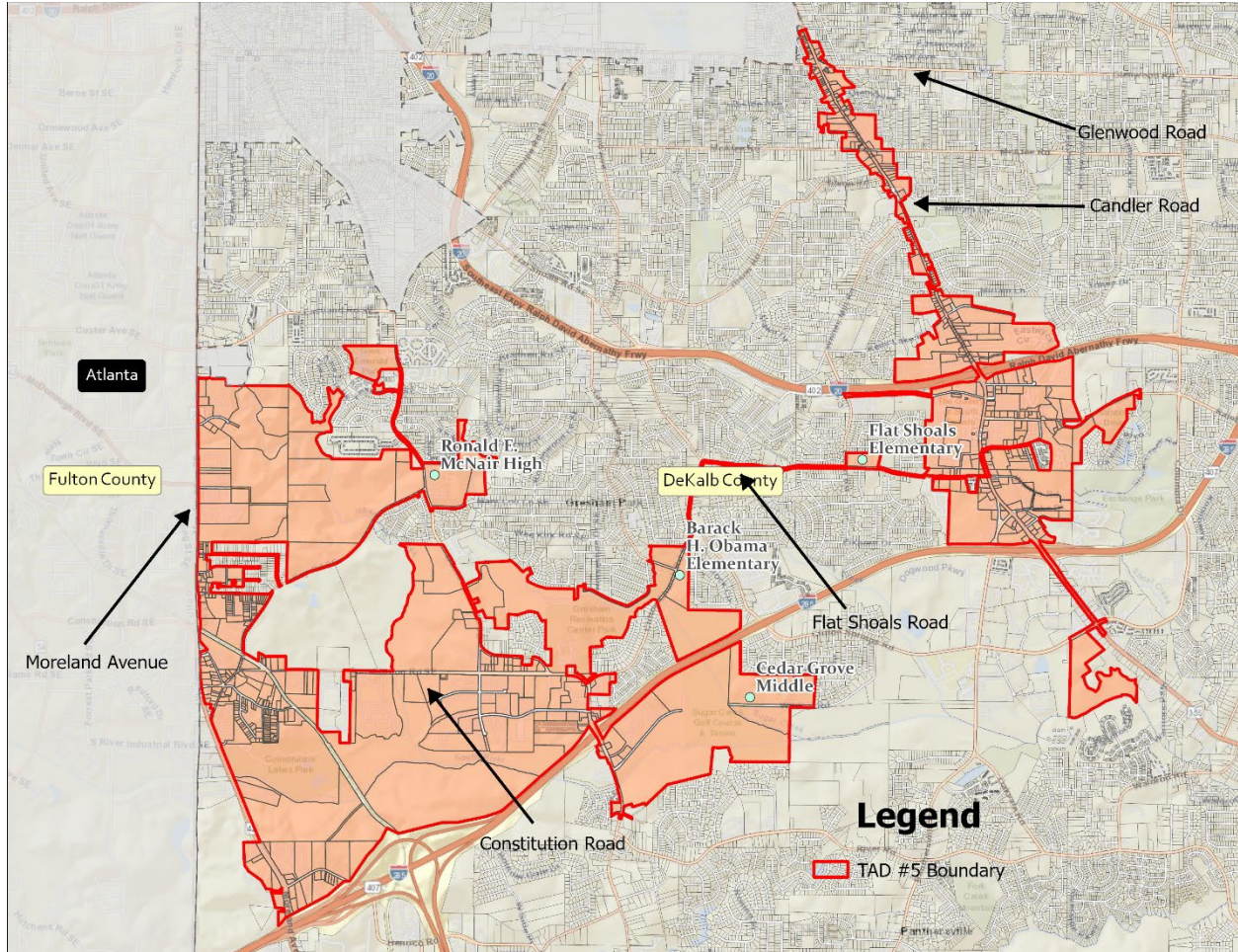
The boundaries of the proposed Redevelopment Area and DeKalb County Tax Allocation District #5: Southwest DeKalb TAD are the same, defined by the same boundaries and containing the same parcels and rights-of way. The proposed Redevelopment Area includes three somewhat distinct subareas that form a cohesive area in Southwest DeKalb, these subareas include the Gallery at South DeKalb mall and the surrounding shopping centers, the Candler Road commercial corridor north of the Gallery at South DeKalb mall and south of Glenwood Road, and several parcels east of Moreland Avenue north of I-285. The Redevelopment Area also includes several parks and schools, with the goal of adding multi-use paths and connectivity in accordance with local trail plans without any planned redevelopment or displacement of buildings or uses on those parcels.

The Redevelopment Area consists of 794 parcels totaling 3,411 acres.



The proposed Tax Allocation District #5 contains multiple public schools and parks, including Glen Emerald Park, Gresham Park, Glen Emerald Rock Garden Cedar Grove Middle School, Ronald E. McNair High School, Barack H. Obama Elementary School, and Flat Shoals Elementary School.

Public Schools in the Proposed DeKalb County TAD #5



DeKalb County TAD #5 Qualifies as a TAD

DeKalb County TAD #5 Redevelopment Area complies with the O.C.G.A. definition as a blighted or distressed area due to the evidence of pervasive poverty, high unemployment, and chronic population decline, and a “deteriorating area” based upon the presence of a substantial number of buildings over 40 years of age or older which have no historical significance, high commercial vacancies, and its characteristics as an area of significantly slower growth of property tax digest as compared to DeKalb County as a whole, consistent with O.C.G.A. § 36-44-3 (7)(A)(ii) and (B)(i)(ii) and (iii).

These criteria are documented in section 3(A) and 3(B).

Proposed Redevelopment Projects

This Redevelopment Plan anticipates the successful redevelopment of two key redevelopment projects which are likely to catalyze additional redevelopment initiatives within Southwest DeKalb:

- The planned expansion of Shadowbox Studios, which already has a presence within the redevelopment area and will involve the creation of 1.5 million square feet of new studio space on a 248- acre site.
- The redevelopment of the Gallery at South DeKalb mall and other nearby surrounding parcels.

This redevelopment plan anticipates that the successful redevelopment of these two projects could catalyze further redevelopment and property value appreciation in, and adjacent to, the TAD resulting from the “halo effect” from both the studio expansion and mall redevelopment. This plan considers **eight additional potential projects** that might occur as part of this halo effect. These potential projects might take the following shape:

- Additional redevelopment of underdeveloped shopping centers adjacent to the Gallery at South DeKalb mall.
- Redevelopment of vacant and underdeveloped industrial properties along Moreland Avenue into vibrant mixed-use communities with retail, commercial and residential opportunities for DeKalb residents.
- Residential Redevelopment along Flat Shoals Parkway.
- The incremental redevelopment of commercial parcels along the Candler Road Corridor, which have the potential to add 235,000 square feet of upgraded retail space to that corridor and around 200 multifamily residential units.

Collectively, redeveloped parcels in the TAD area could be valued at **\$2.1 billion**, with an assessed value of **\$793.4 million**, adding \$490 million of incremental taxable digest atop of a current taxable base value of **\$303.8 million** for the redeveloped parcels.

Estimate of TAD Revenue

- **The base value** of the 794 parcels in the TAD, frozen at \$890.7 million through the life of the TAD, would continue to generate a total of approximately \$158 million in property tax revenue to the General Funds of DeKalb County and a total of approximately \$175 million in property tax revenue to the DeKalb County Schools over the projected 25-year life of the TAD.
- **Year 10:** In 2034, the 10th year of the TAD, the incremental growth of property values within the TAD area, driven by redevelopment of parcels within the TAD, would generate approximately \$13.9 million in TAD incremental revenue from DeKalb County millages and \$29.88 million from DeKalb Schools millage. Cumulative TAD incremental revenue from years 1 through 10 would be \$84 million for DeKalb County millage alone and \$181 million from County and Schools millage combined.
- **Year 25:** In 2047, the 25th year of the TAD, the incremental growth of property values within the TAD area, driven by redevelopment of parcels within the TAD, would generate approximately \$22.78 million in TAD incremental revenue from DeKalb County millages and \$26.35 million from

DeKalb Schools millages, or \$49.13 million collectively. Cumulative TAD incremental revenue from years 1 through 25 would be \$359 million for DeKalb County millage alone and \$774.33 million from County & Schools millage.

Proposed Public Investments

Tax Allocation District #5 will create a dedicated funding source to fund DeKalb County infrastructure and other eligible redevelopment costs to both support the community's vision of redevelopment for the area and to catalyze future development as envisioned in this Redevelopment Plan and the DeKalb 2050 Unified and Comprehensive Land Use Plans.

The purpose of the proposed infrastructure improvements funded by the TAD would be:

- Transportation and mobility enhancements, including the proposed South River Greenway;
- Site-specific development programs to support redevelopment initiatives that would otherwise not be feasible due to market economics;
- Area-wide infrastructure improvements;
- Affordable housing and related programs;
- Public space, landscaping, lighting, and other uses;
- Parks, recreation and community facilities; and
- Other Uses & Land Acquisition as needed to support the above initiatives and investments.

3. Redevelopment Plan

DeKalb County presents this plan (“Redevelopment Plan”) outlining the rationale, boundaries, fiscal data and potential projects that could result from the formation of DeKalb County **Tax Allocation District #5: Southwest DeKalb TAD**. This Redevelopment Plan was prepared in conformance with the provisions of Georgia’s Redevelopment Powers Law (O.C.G.A. Title 36 Chapter 44) that governs the creation and operation of Tax Allocation Districts (TADs) in the State of Georgia. Leadership in the preparation of this plan was provided by the Development Authority of DeKalb County d/b/a Decide DeKalb Development Authority (“Decide DeKalb”).

The following sections conform with the required elements of a Tax Allocation District Redevelopment Plan as defined in 2010 Georgia Code § 36-44-3 *Redevelopment Powers; Definitions*. Section headings correspond to required elements of a Redevelopment Plan as defined in section § 36-44-3 (9).

A. Boundaries of Proposed Redevelopment Area

The boundaries of the proposed Redevelopment Area and DeKalb County Tax Allocation District #5: Southwest DeKalb TAD are the same, defined by the same boundaries and containing the same parcels and rights-of way. The proposed Redevelopment Area includes three somewhat distinct subareas that form a cohesive area in Southwest DeKalb, these subareas include the Gallery at South DeKalb mall and the surrounding shopping centers, the Candler Road commercial corridor north of the Gallery at South DeKalb mall and south of Glenwood Road, and several parcels east of Moreland Avenue north of I-285. The Redevelopment Area also includes several parks and schools, with the goal of adding multi-use paths and connectivity in accordance with local trail plans without any planned redevelopment or displacement of buildings or uses on those parcels. The Redevelopment Area consists of 794 parcels totaling 3,411 acres.

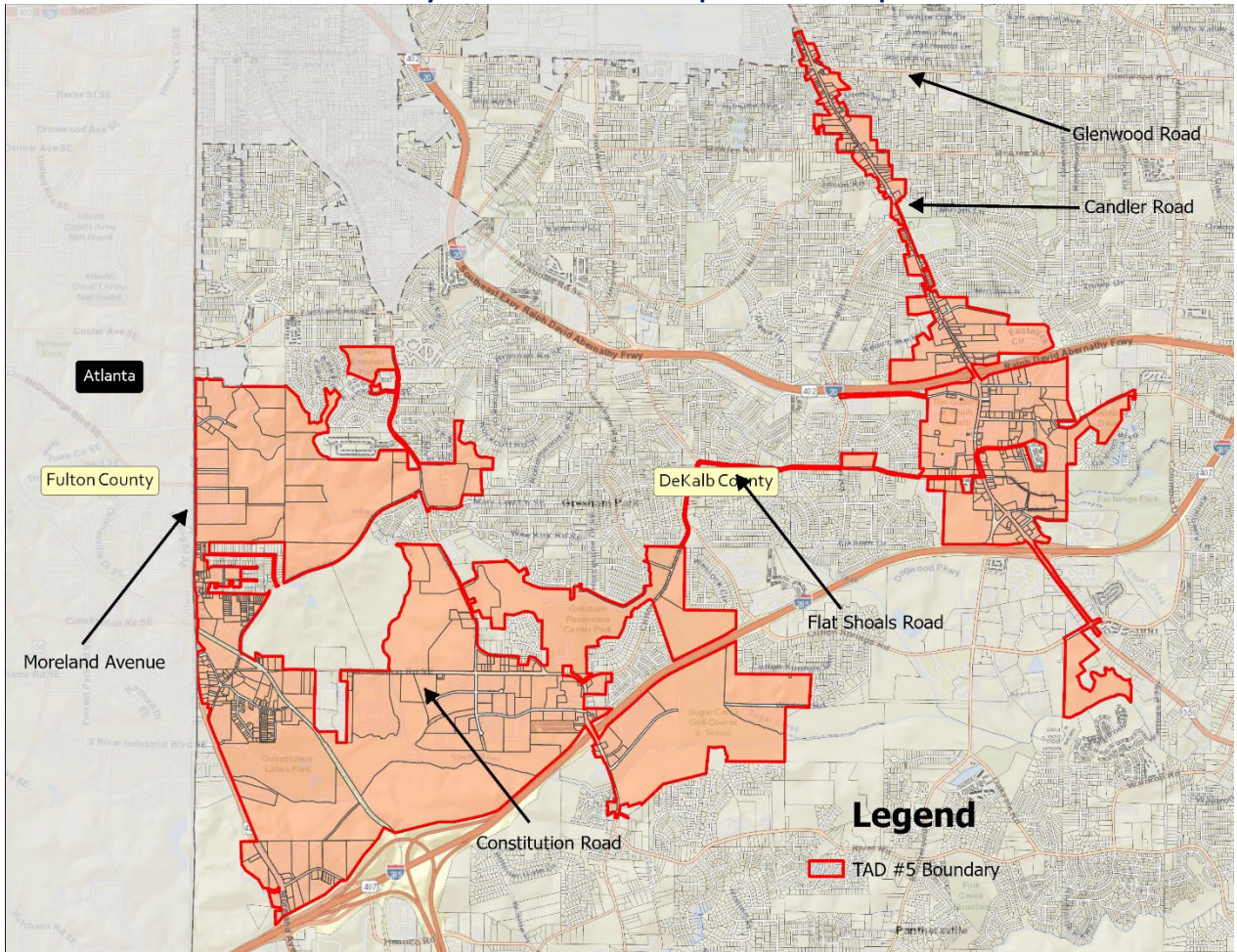
The estimated taxable value for property tax purposes in the TAD is \$303,804,888, which represents 0.92% of DeKalb County’s 2022 Certified Tax Digest of \$32.9 billion and 1.02% of DeKalb County Schools’ property 2022 Certified Tax Digest of \$29.8 billion. Collectively, this proposed Tax Allocation District, along with DeKalb County’s four other existing Tax Allocation Districts, would represent 1.74% of the County tax digest and 1.92% of the DeKalb County School tax digest.

Proposed TAD Area Summary

DeKalb TAD #5:Southwest DeKalb TAD - Tax Digest	DeKalb TAD #5	Other DeKalb TADs	All DeKalb TADs
TAD Area Parcels	794		
TAD Area Parcels Acreage	3,411		
Total TAD Area Parcels 2023 Appraised value	\$ 890,693,778		
Total TAD Area Parcels 2023 Assessed value	\$ 303,804,888	\$ 269,547,334	\$ 573,352,222
2022 CITY Tax Digest	\$ -		
TAD as % of CITY Tax Digest			
2022 DeKalb County Tax Digest	\$ 32,900,495,681		
TAD as % of DeKalb County Tax Digest	0.92%	0.82%	1.74%
2022 DeKalb County Schools Tax Digest	\$ 29,801,366,248		
TAD as % of DeKalb County Schools Tax Digest	1.02%	0.90%	1.92%

Source: KB Advisory Group, DeKalb County GIS, Georgia Department of Revenue

DeKalb County TAD #5 and Redevelopment Area map



Source: KB Advisory Group, DeKalb County

B. Grounds for a Finding that the Redevelopment Area Qualifies as a TAD

DeKalb County has the authority to exercise all redevelopment and other powers authorized or granted to counties and municipalities pursuant to the Redevelopment Powers Law (Chapter 44 of Title 36 of the O.C.G.A.), as approved by a majority of the qualified voters of DeKalb County in the statewide general election conducted in November of 2002 (Acts 2002 p.5668, §1)

DeKalb County TAD #5 complies with the O.C.G.A. § 36-44-3 (2014) definition of a *Redevelopment Area* due to the following qualifying definitions.

Tax allocation districts are authorized in Georgia under the Redevelopment Powers Law, O.C.G.A. Title 36, Chapter 44. In 2009, the Redevelopment Powers Law was amended again, with the following definition of a "Redevelopment Area":

'Redevelopment Area' means an urbanized area as determined by current data from the US Bureau of the Census or an area presently served by sewer that qualifies as a 'blighted or distressed area, a 'deteriorating area,' or an 'area with inadequate infrastructure' as follows:

(A) A 'blighted or distressed area' is an area that is experiencing one of more conditions of blight as evidenced by:

(i) The presence of structures, buildings, or improvements that by reason of dilapidation; deterioration; age; obsolescence; inadequate provision for ventilation, light, air, sanitation, or open space; overcrowding; conditions which endanger life or property by fire or other causes; or any combination of such factors, are conducive to ill health, transmission of disease, infant mortality, high unemployment, juvenile delinquency, or crime and are detrimental to the public health, safety, morals, or welfare;

(ii) The presence of a predominant number of substandard, vacant, deteriorated, or deteriorating structures, the predominance of a defective or inadequate street layout, or transportation facilities; or faulty lot layout in relation to size, accessibility, or usefulness;

(iii) Evidence of pervasive poverty, defined as being greater than 10 percent of the population in the area as determined by current data from the U.S. Bureau of the Census, and an unemployment rate that is 10 percent higher than the state average;

(iv) Adverse effects of airport or transportation related noise or environmental contamination or degradation or other adverse environmental factors that the political subdivision has determined to be impairing the redevelopment of the area; or

(v) The existence of conditions through any combination of the foregoing that substantially impair the sound growth of the community and retard the provision of housing accommodations or employment opportunities;

(B) A 'deteriorating area' is an area that is experiencing physical or economic decline or stagnation as evidenced by two or more of the following:

(i) The presence of a substantial number of structures or buildings that are 40 years old or older and have no historic significance;

(ii) High commercial or residential vacancies compared to the political subdivision as a whole;

- (iii) The predominance of structures or buildings of relatively low value compared to the value of structures or buildings in the surrounding vicinity or significantly slower growth in the property tax digest than is occurring in the political subdivision as a whole;*
- (iv) Declining or stagnant rents or sales prices compared to the political subdivision as a whole;*
- (v) In areas where housing exists at present or is determined by the political subdivision to be appropriate after redevelopment, there exists a shortage of safe, decent housing that is not substandard and that is affordable for persons of low and moderate income;*
- (vi) Deteriorating or inadequate utility, transportation, or transit infrastructure;*

DeKalb County TAD #5 Redevelopment Area complies with the O.C.G.A. definition as a blighted, distressed or deteriorating area due to the evidence of pervasive poverty and the presence of physical and economic decline and stagnation, consistent with O.C.G.A. § 36-44-3(7)(A)(i-v).

Specifically, DeKalb County Southwest DeKalb TAD #5 meets the state requirements for determining a redevelopment area noted above as evidenced by the following:

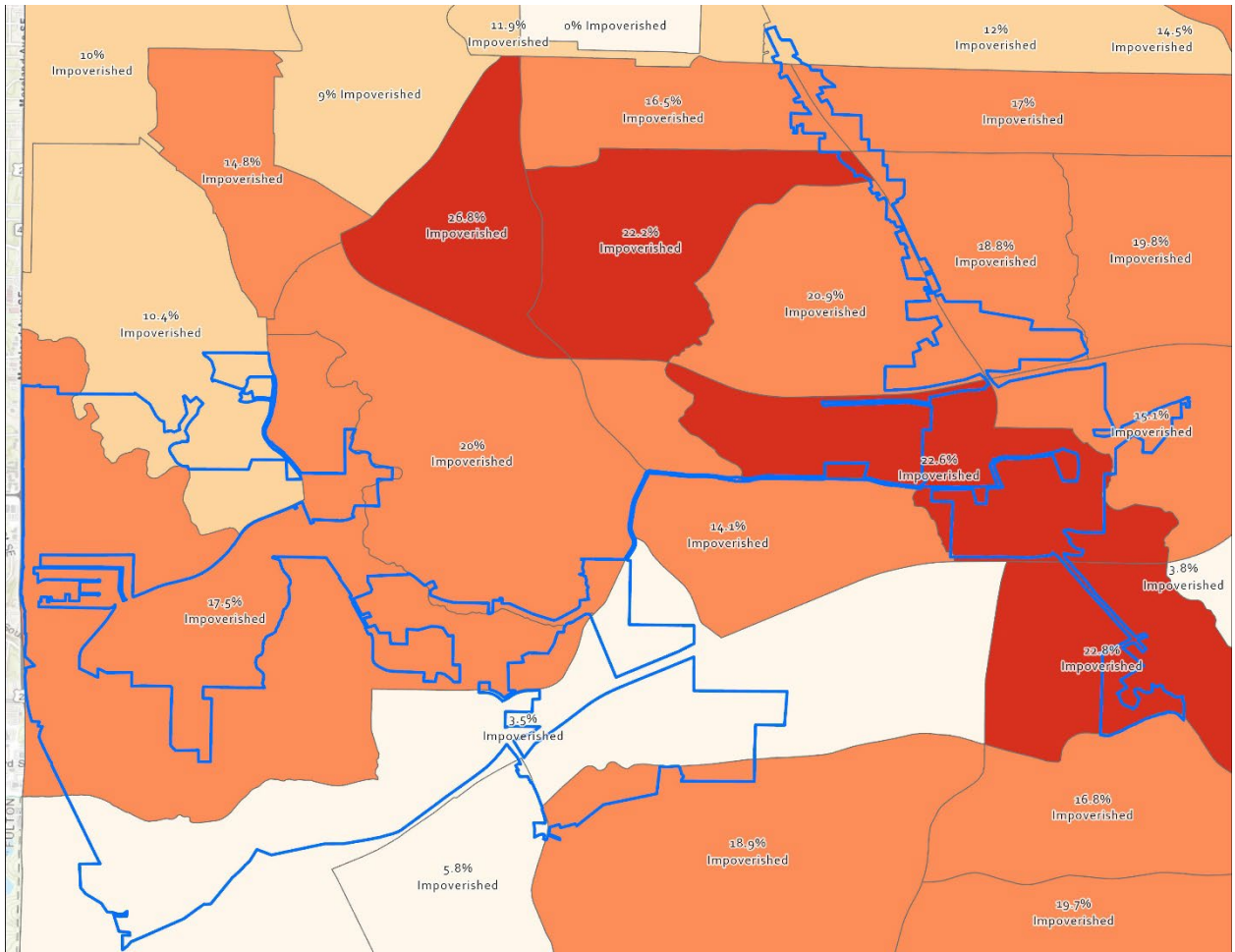
A (i) – The Redevelopment area is characterized by **the presence of a predominant number of substandard, vacant, deteriorated, or deteriorating structures**. A survey of commercial properties within the redevelopment area reveals that a substantial number of the commercial properties within the redevelopment area are substandard, aging and have exhibited consistent vacancy rates higher than 10% for much of the last decade and have exceeded 20% vacancy according to the most current market data for 2023. The TAD area’s largest building, the Gallery at South DeKalb mall which represent 19% of the TAD area’s commercial space is currently reported to be 20% vacant. Additionally, the retail properties surrounding the Gallery at South DeKalb mall have also experienced significant growth in vacancy in recent years, growing from around 7% in 2019 to 16.5% in 2020 and increasing further to 34% as of 2022.

A (ii) – The TAD Area exhibits **pervasive poverty**. The Redevelopment Area intersects with eighteen Census Tracts, sixteen of which exhibit high poverty rates (% of people living under poverty) according to the 2020 US Census American Community Survey. Outside of two tracts that intersect with the southwest portion of the redevelopment area, which have relatively low poverty rates, the remaining parcels all have poverty rates higher than 10%, with many, including the tract containing the Southwest DeKalb mall, exhibiting poverty rates higher than 20%.

DeKalb County Southwest DeKalb TAD #5	
Census Tracts	% of Families below Poverty
Census Tract 234.10	23%
Census Tract 231.01	12%
Census Tract 234.11	14%
Census Tract 234.24	19%
Census Tract 234.38	17%
Census Tract 234.39	23%
Census Tract 234.43	6%
Census Tract 234.44	4%
Census Tract 234.46	15%
Census Tract 235.01	17%
Census Tract 235.04	19%
Census Tract 236.01	17%
Census Tract 238.01	10%
Census Tract 238.02	18%
Census Tract 238.03	20%
Census Tract 235.05	20%
Census Tract 236.02	22%
Census Tract 236.03	21%

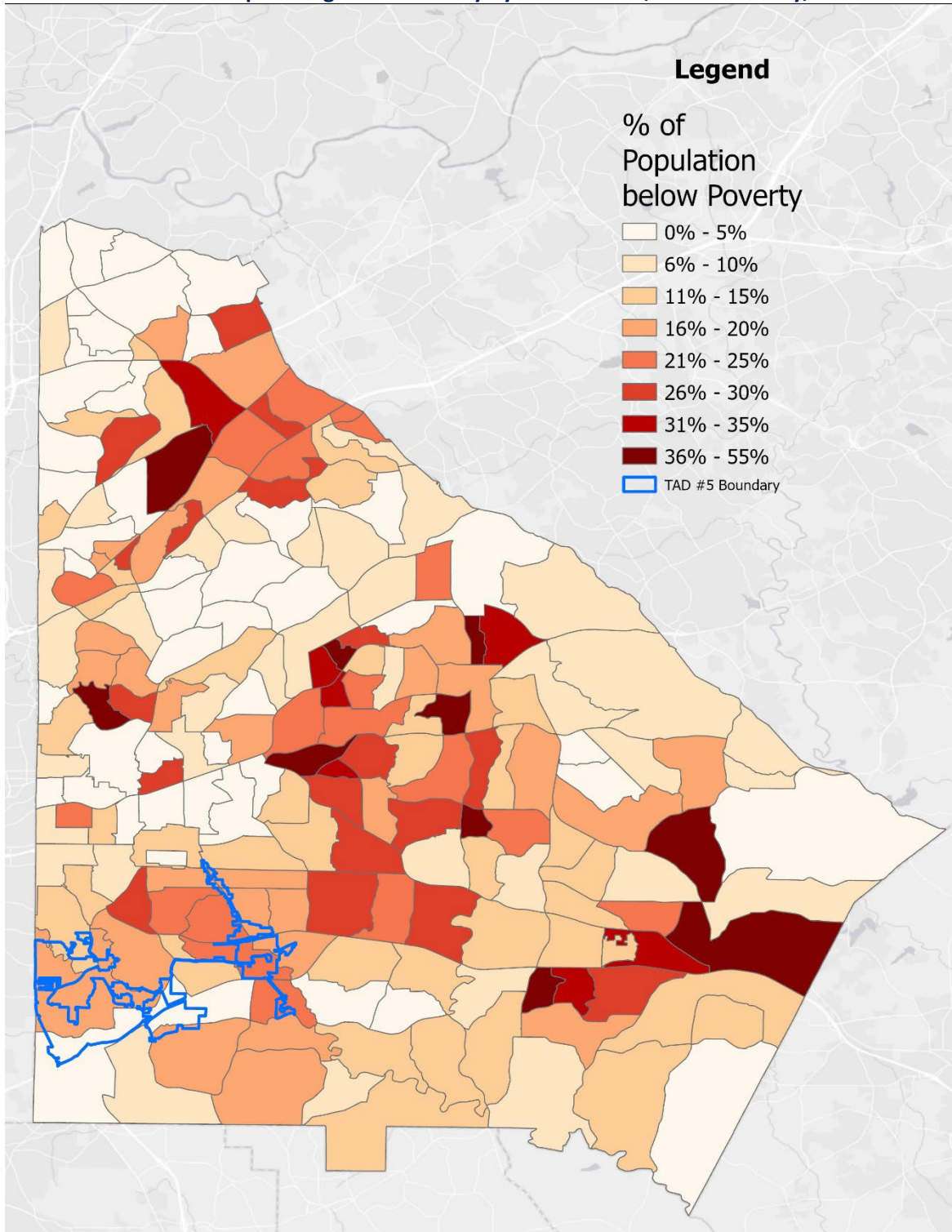
Source: KB Advisory Group, US Census American Community Survey 2020.

Percent of People living below Poverty by Census Tract, Proposed TAD Area, 2020



Source: KB Advisory Group, US Census 5-Year American Community Survey 2020.

Percent of People living below Poverty by Census Tract, DeKalb County, 2020

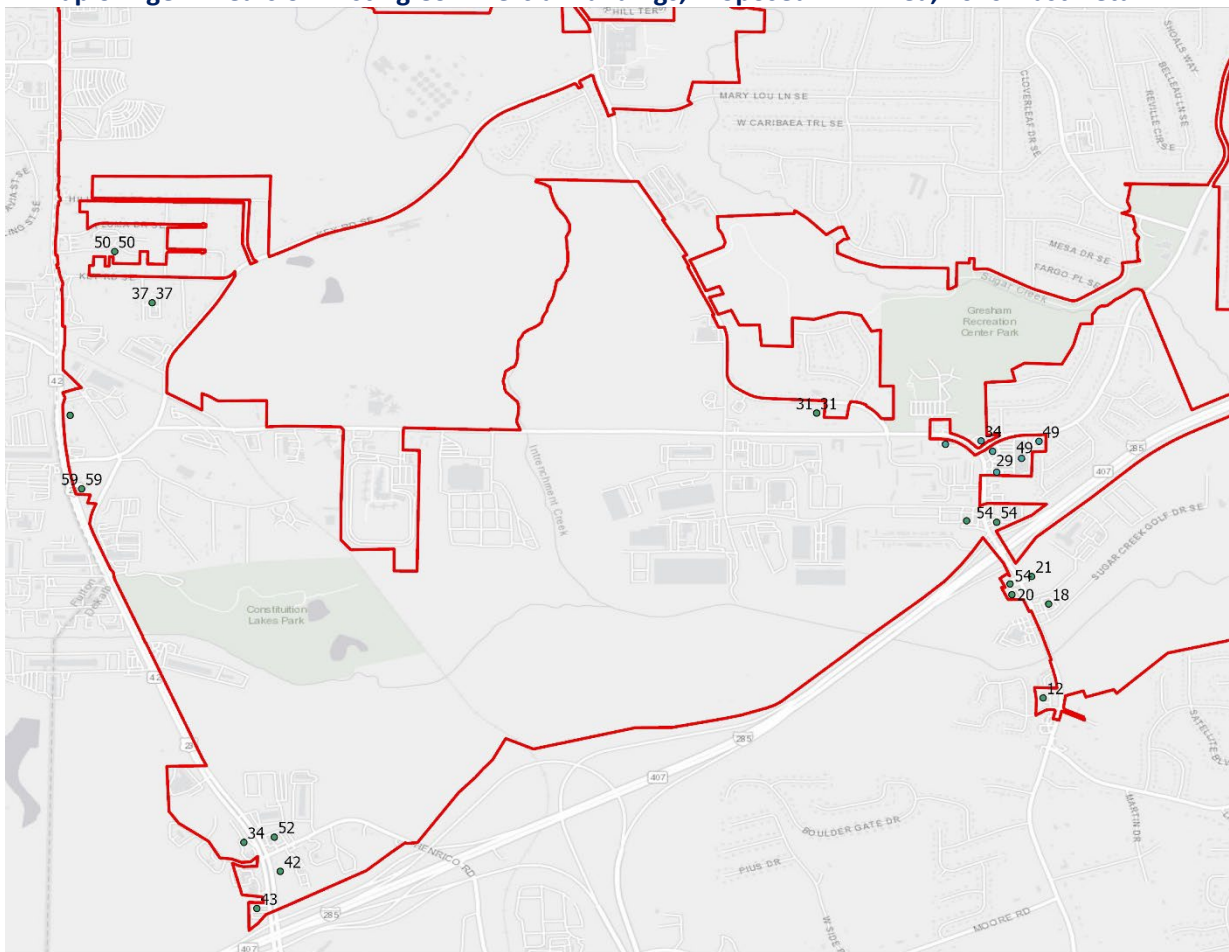


Source: KB Advisory Group, US Census 5-Year American Community Survey 2020.

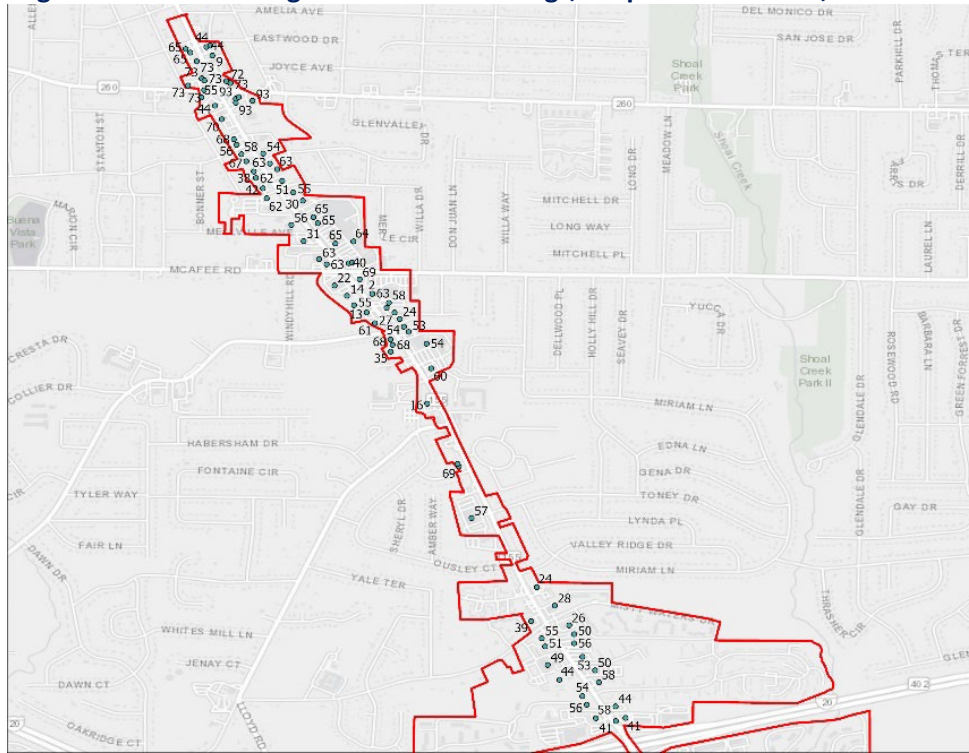
A (iii) – The TAD Area exhibits **conditions [...] that substantially impair the sound growth of the community**; The Redevelopment exhibits a preponderance of visible blight including graffiti, litter and refuse, poorly maintained landscaping, concrete, and asphalt, poorly-maintained buildings and poorly-maintained signage.

B (i) –The Redevelopment Area is characterized by the **presence of a substantial number of structures or buildings that are 40 years old or older and have no historic significance**; Gallery at South DeKalb mall was completed in 1968, making it over 55 years old. The weighted average age (by square footage) of commercial properties in the TAD area is 52.59 years. Three quarters of the commercial buildings (114 of 152) in the TAD area are more than 40 years old. 90% of the commercial space (by square footage) in the TAD area is more than 40 years old.

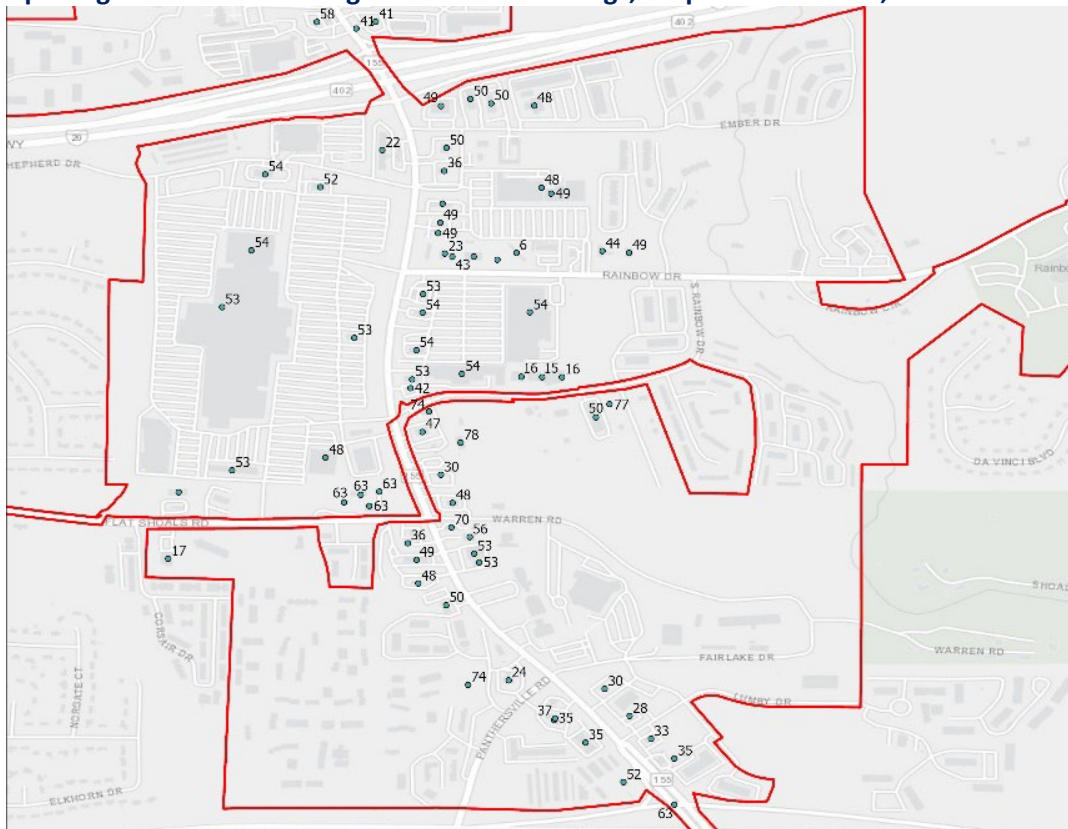
Map of Age in Years of Existing Commercial Buildings, Proposed TAD Area, 2020 East Detail



Map of Age in Years of Existing Commercial Buildings, Proposed TAD Area, 2020 North Detail

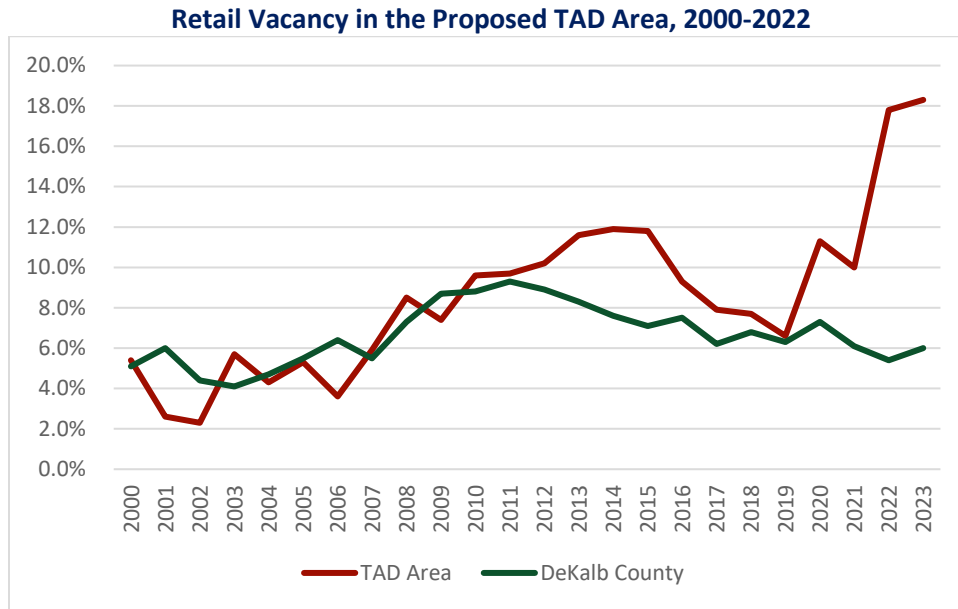


Map of Age in Years of Existing Commercial Buildings, Proposed TAD Area, 2020 East Detail



Source: KB Advisory Group, CoStar Inc 2023

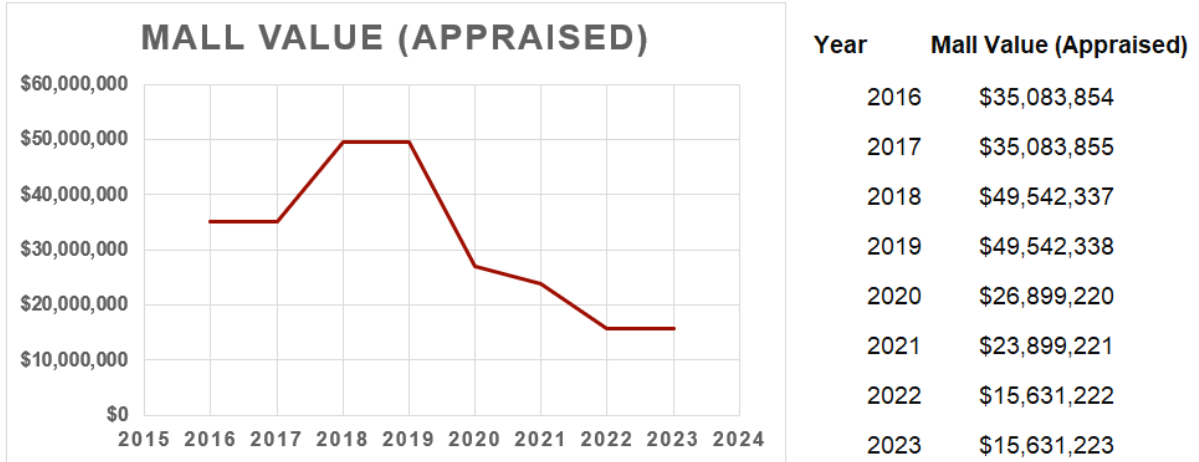
B(ii) The Redevelopment Area is characterized by **high commercial or residential vacancies compared to the DeKalb County as a whole**. The TAD area’s largest building, the Gallery at South DeKalb mall, which represents 19% of the TAD area’s commercial space is 20% vacant. Collectively, the net vacancy of all retail properties in the TAD area is 18.3% and is around 10% higher in the area around the Gallery at South DeKalb mall specifically. These vacancy rates are high in comparison to the county average of 6% vacancy. The TAD area’s collective retail vacancy rate increased from less than 8.5% in 2008 to 18.3% in 2023.



Source: CoStar, KB Advisory Group

B(iii) The Redevelopment Area is characterized by the **significantly slower growth** in the property tax digest than is occurring in the in DeKalb County as a whole. The two parcels that make up the core Gallery at South DeKalb mall property declined from \$35 million in 2016 to just \$15.6 million in 2021, representing an average annual decline of 9%. Over the same period, DeKalb County’s tax digest increased by 71%.

Appraised and Assessed Property Value of Core Gallery at South DeKalb mall Parcels, 2000-2022



Source: Dekalb Tax Assessor, KB Advisory Group

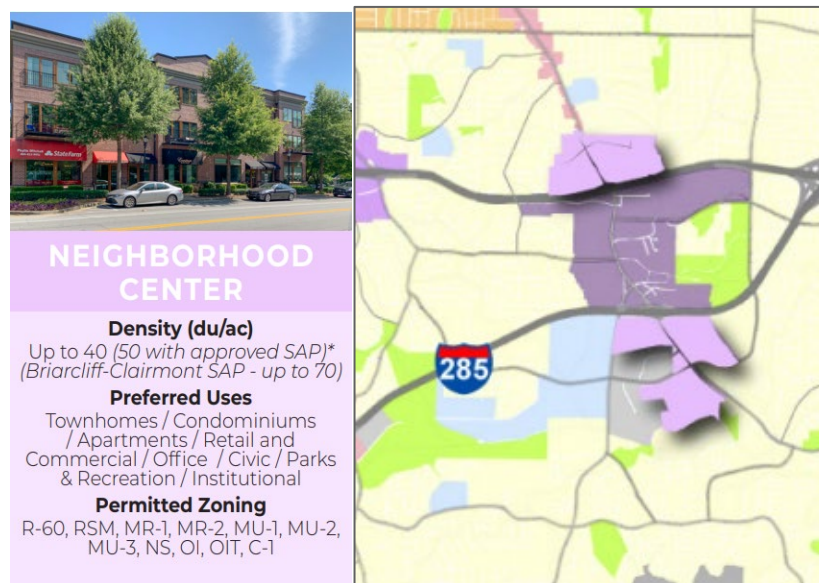
Collective value of 5 core mall parcels: 15 120 02 081, 15 120 02 082, 15 120 02 083, 15 120 02 084, 15 120 02 087

C. Proposed Uses After Redevelopment

DeKalb County 2050 Comprehensive Land Use Plan's future Land Use map envisions the proposed Southwest DeKalb TAD, which encompasses three subareas, as six different Character Areas. These uses and character areas are all consistent with the proposed redevelopment and investment outlined in this Tax Allocation District Redevelopment Plan.

Neighborhood Center Character Area

The Comprehensive Plan identifies the areas north and south of the Gallery at South DeKalb mall as a *Neighborhood Center* Character area. This area will have a concentration of clustered residential and commercial uses that serve the goods and service needs of a few surrounding, local neighborhoods. These areas and their uses shall complement the smaller scale character of nearby neighborhoods while reducing automobile travel and promote walkability and increased transit usage. These areas act as a neighborhood focal point with a concentration of activities including retail, neighborhood commercial, professional office, moderate density housing, and public open space that are all easily accessible by pedestrians.



(Source: DeKalb County 2050 Comprehensive Land Use Plan)

Commercial Redevelopment Corridor Character Area

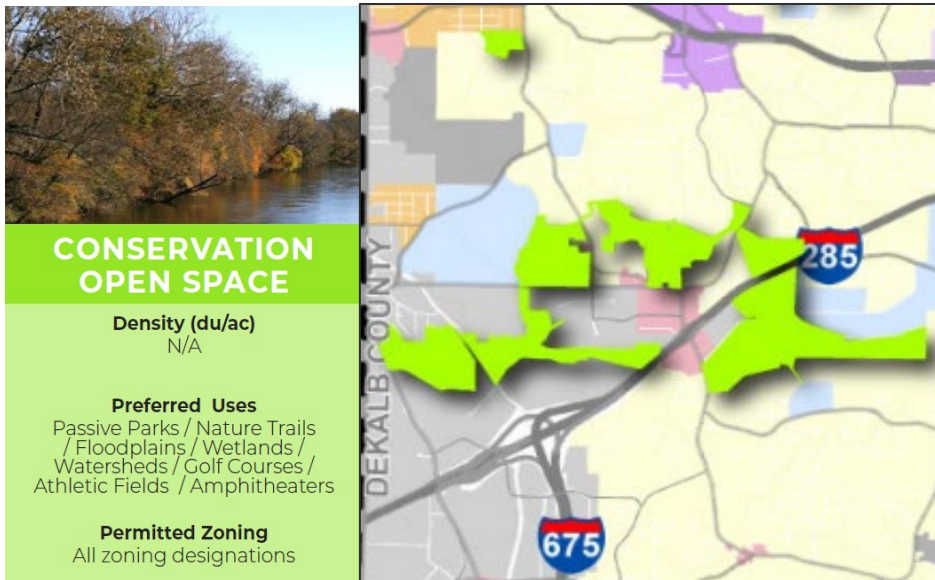
Areas to the north of the Galleria at South DeKalb mall, along the Candler Road corridor, are identified in the future Land Use Map as a *Commercial Redevelopment Corridor* character area. A goal of the Commercial Redevelopment Corridor designation in this area is to improve the pedestrian environment, raise architectural standards, and promote commerce while maintaining the area’s affordability.



(Source: DeKalb County 2050 Comprehensive Land Use Plan)

Conservation / Open Space Character Area

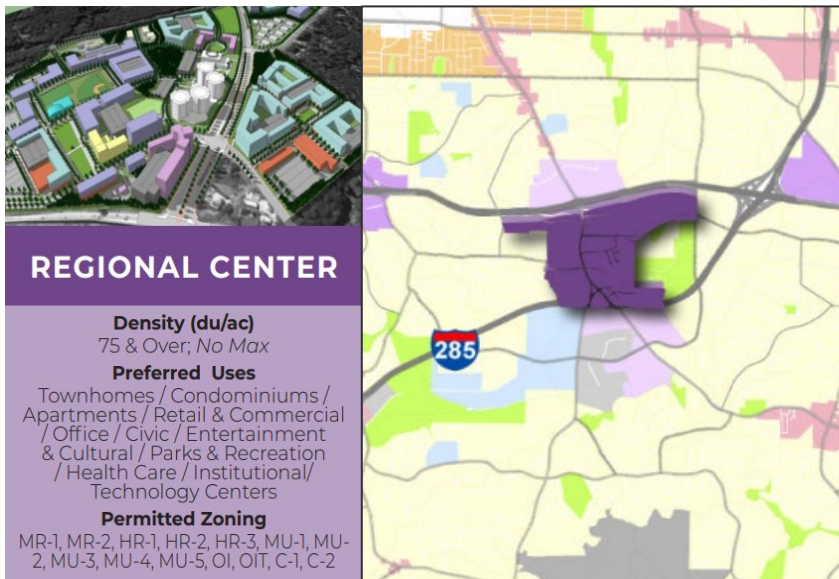
The TAD also includes several areas identified in the DeKalb County 2050 Comprehensive Land Use Plan as Conservation/Open Space character areas: this area collectively can be referred to as the South River Forest area. The conservation efforts deployed in this area will mean an intentional lack of development of this key natural area and will be paired with significant expansion of the local trail network, creating connections between this portion of DeKalb County and its educational facilities with other regional trails such as the Michelle Obama trail and the Atlanta Beltline.



(Source: DeKalb County 2050 Comprehensive Land Use Plan)

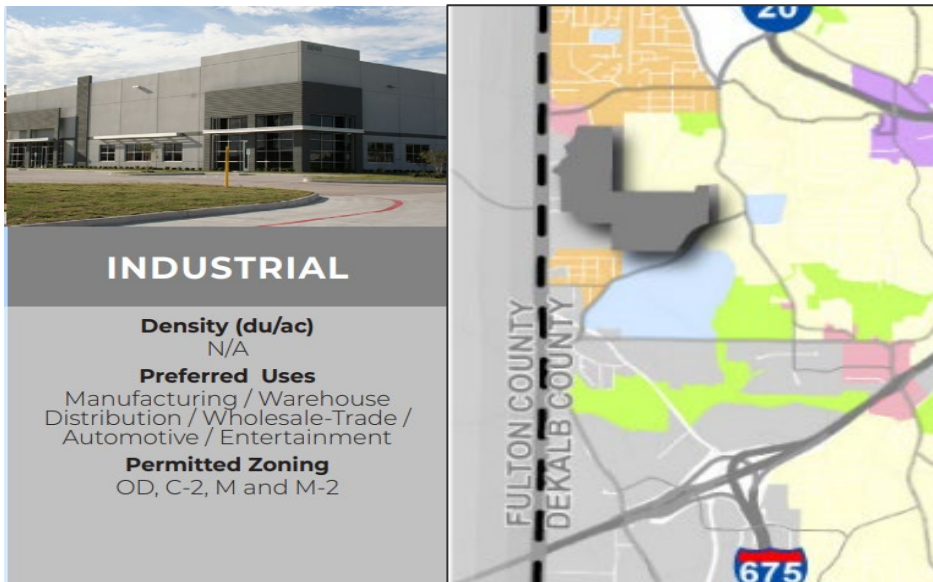
Regional Center

The Comprehensive Plan identifies the areas surrounding the Gallery at South DeKalb mall as a *Regional Activity Center* Character area. This area will have a concentration of intensity, development and regional serving activities in a centralized location that allows for a variety of uses, reduces dependency on automobile travel, and promotes walkability and increased transit usage. These areas include the highest intensity residential, commercial, office, and higher-education facilities allowed within DeKalb County and serve as regional destinations for employment, shopping, and services. These areas are characterized by high accessibility via the interstates and major roadways, transit, and trails. The areas also have on-site parking, high floor-area ratio, large tracts of land, and campus or unified development.



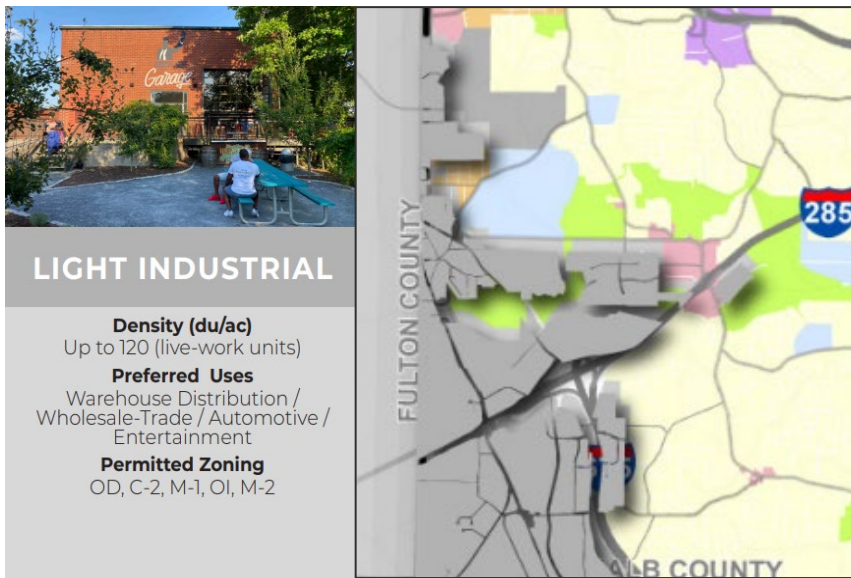
Industrial

The Comprehensive Plan identifies the areas east of Moreland as a few different uses, including *Industrial* Character area. This area will have intense industrial and industrial related uses. The location of these uses shall be such as to protect residential and commercial areas from potential disturbances generated by industrial land uses. These areas consist of land used in higher intensity manufacturing, assembly, processing activities where noise, vibration and air pollution or other nuisance characteristics are not contained on-site.



Light Industrial

The Comprehensive Plan identifies the areas east of Moreland as a few different uses, including *Light Industrial* Character area. These areas consist of areas used in low intensity manufacturing, including wholesale trade, and distribution activities that do not generate excessive noise, vibration, air pollution or other nuisance characteristics. The location of these areas shall preserve the appeal and appearance of residential and commercial areas from the prospective intrusion of light industrial land uses.



D. Redevelopment Projects Within the Redevelopment Area

Major Projects Within the Redevelopment Area

This Redevelopment Plan anticipates the successful redevelopment of two key areas within Southwest DeKalb. The first project is the planned expansion of Shadowbox Studio, which already has a presence within the redevelopment area and will involve the creation of 1.5 million square feet of new studio space on a 248.3-acre site.

- The **Shadowbox expansion**, at build-out, will have an estimated tax-appraised value of \$240 million, with an assessed value of \$96 million, compared to today's tax value (base) of \$3.2 million for the two tax parcels underlying the proposed expansion project.

The second major project within the redevelopment area will be the redevelopment of the Gallery at South DeKalb mall and the surrounding parcels.

- The **Gallery at South DeKalb mall redevelopment**, at build-out, will have an estimated tax-appraised value of \$366 million, with an assessed value of \$146.5 million, compared to today's tax value (base) of \$9.9 million for the eleven tax parcels underlying the proposed mall Redevelopment project.

- This project has the potential to add 610 residential units to the area, which would include a mix of multifamily rental units and for-sale townhomes. This development might also add approximately 475,000 square feet of class A office and retail square feet. The overall impact of this mixed-use redevelopment would be an addition of much needed housing to the area and the activation of the mall area through the construction of a mix of uses.

Redevelopment Opportunities

The plan further anticipates that the successful redevelopment of these two projects could catalyze further redevelopment and property value appreciation in, and adjacent to, the TAD resulting from the “halo effect” of both the studio expansion and mall redevelopment. This plan considers eight potential projects that might occur as part of this halo effect. These potential projects might take the following shape:

- The **redevelopment of the Big Lots shopping center** adjacent to the Gallery at South DeKalb mall, at build-out, would have an estimated tax-appraised value of \$136 million, with an assessed value of \$54.4 million, compared to today’s tax value (base) of \$6.2 million for the eight tax parcels underlying the proposed redevelopment project.
- This project has the potential to add 298 residential units to the area, which would likely come in the form of a single mixed-use multifamily development. This development might also add approximately 135,000 square feet of class A retail square feet to the area. The overall impact of this mixed-use redevelopment would be an addition of much needed housing to the area and the activation of the currently under-utilized suburban-style shopping center.
- The **redevelopment of the Family Dollar shopping center** adjacent to the Gallery at South DeKalb mall, at build-out, will have an estimated tax-appraised value of \$111.4 million, with an assessed value of \$44.6 million, compared to today’s tax value (base) of \$4.8 million for the eleven tax parcels underlying the proposed Mall Redevelopment project.
- This project has the potential to add 245 residential units to the area, which would likely come in the form of a single mixed-use multifamily development. This development might also add approximately 110,000 square feet of class A retail square feet to the area. The overall impact of this mixed-use redevelopment would be an addition of much needed housing to the area and the activation of the currently under-utilized suburban-style shopping center.

Moreland Mixed Use 1-4

- Four hypothetical redevelopment projects of vacant or low-intensity industrial uses into mixed-use residential on the east side of Moreland Avenue, at build-out, will have an estimated tax-appraised value of \$328.9 million, with an assessed value of \$131.6 million across four possible projects compared to today’s tax value (base) of \$27.9 million for the thirty-five tax parcels underlying the four proposed redevelopment projects. Detailed increment information is included in the table below.
- These four projects have the combined potential to add 827 residential units to the area, which would likely be split between townhome and detached for-sale products and mixed-use multifamily rental projects. These developments might also add approximately 15,000 square

feet of class A retail square feet to the area. The overall impact of this mixed-use redevelopment would be an addition of much needed housing to the area and the activation of the currently vacant and under-utilized properties along this section of Moreland Avenue. While the prospect of adding 827 residential units to this part of the county may be viewed as a problem to be avoided, it may also be viewed as an opportunity to capture the increment as the trend of residential development continues to move south along Moreland Avenue.

Candler Corridor Redevelopment

- The **gradual redevelopment of unspecified parcels along the Candler Road Corridor**, at build-out, will have an estimated tax-appraised value of \$132.9 million, with an assessed value of \$53.1 million, compared to today's tax value (base) of \$87 million for the one-hundred-and-fifty-seven tax parcels underlying the proposed Mall Redevelopment project. This development forecast is based on an assumption that 5% of the parcels along the corridor redevelop over the next ten years and that 80% of that redevelopment takes the form of commercial redevelopment, with 20% being multifamily residential. At build out, this redevelopment scenario anticipates a possible addition of 235,000 square feet of class A retail space to the corridor and 194 multifamily units.

South DeKalb Mixed-Use Mixed-Income

Additionally, there is a mixed-use, mixed-income residential project that is planned for the southeastern most point of the redevelopment area located off Clifton Springs Road.

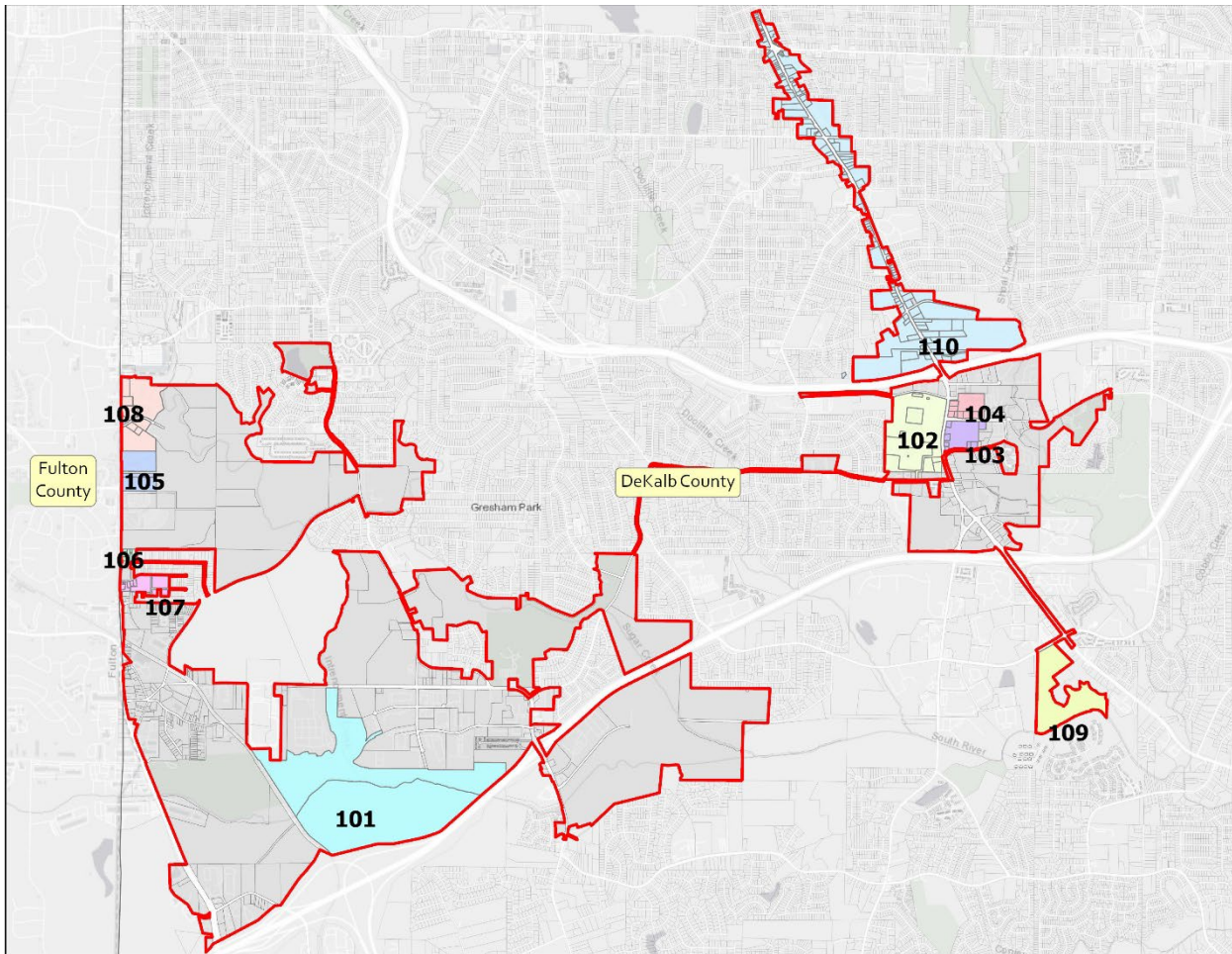
- This proposed redevelopment project, at build-out, will have an estimated tax-appraised value of \$178 million, with an assessed value of \$71 million across one parcel. Detailed increment information is included in the table below.
- This mixed-use, mixed-income community would include 550 residential units on 24.9 acres, with the goal to provide sustainable housing solutions, create a high-quality residential community, and stimulate economic growth.

Summary of Proposed TAD Redevelopment Opportunities

Catalyst Project Site	101: Blackhall Expansion	102: Gallery @ SDK Mall Exp	103: Big Lots	104: Family Dollar	105: Moreland MU 1	106: Moreland MU 2	107: Moreland MU 3	108: Moreland MU 4	109: HSI South Dekalb	110: Candler Corridor Redev	Total Redev Parcels
Parcels	2	11	8	9	3	8	15	9	1	157	66
Acres	248.3	80.7	18.7	15.3	24.6	3.3	13.2	47.1	53.9	243.6	749
Appraised Value	\$ 16,647,800	\$ 24,812,686	\$ 15,699,800	\$ 11,921,700	\$ 3,323,700	\$ 438,700	\$ 1,693,900	\$ 22,406,524	\$ 2,514,700	\$ 242,453,718	\$ 341,913,228
Tax Value (Base)	\$ 3,178,960	\$ 9,925,074	\$ 6,279,920	\$ 4,768,680	\$ 1,329,480	\$ 175,480	\$ 677,560	\$ 8,943,730	\$ 1,005,880	\$ 87,071,470	\$ 123,356,234
New Residential Development											
Townhomes	-	158	-	-	-	-	92	164	-	-	415
Single-Family Homes	-	-	-	-	-	-	-	70	-	-	71
MultiFamily Rental Units	-	282	186	153	276	36	-	-	532	60	1,529
Senior/Student Housing Units	-	-	-	-	-	-	-	-	-	-	-
Total Housing units	-	440	186	153	276	36	92	234	532	60	2,015
New Commercial Development											
Retail SF	-	340,000	135,000	110,000	15,000	-	-	-	25,500	115,000	740,500
Office-General SF	-	135,000	-	-	-	-	-	-	-	-	135,000
Office-Medical SF	-	-	-	-	-	-	-	-	-	-	-
Flex industrial SF	1,490,000	-	-	-	-	-	-	-	-	-	1,490,000
Total Commercial SF	1,490,000	475,000	135,000	110,000	15,000	-	-	-	25,500	115,000	2,365,500
Total Appraised Value of Potential Redevelopment	\$ 331,525,000	\$ 312,033,000	\$ 100,180,000	\$ 82,024,000	\$ 93,024,000	\$ 11,808,000	\$ 46,095,000	\$ 117,775,000	\$ 177,890,000	\$ 53,984,800	\$ 1,326,338,800
Total Assessed Value of Potential Redevelopment (40%)	\$ 132,610,000	\$ 124,813,200	\$ 40,072,000	\$ 32,809,600	\$ 37,209,600	\$ 4,723,200	\$ 18,438,000	\$ 47,110,000	\$ 71,156,000	\$ 21,593,920	\$ 530,535,520
Original Appraised Value before Development (100%)	\$ 16,647,800	\$ 24,812,686	\$ 15,699,800	\$ 11,921,700	\$ 3,323,700	\$ 438,700	\$ 1,693,900	\$ 22,406,524	\$ 2,514,700	\$ 12,122,686	\$ 111,582,196
Original Assessed Value After Redevelopment (40%, Base)	\$ 3,178,960	\$ 9,925,074	\$ 6,279,920	\$ 4,768,680	\$ 1,329,480	\$ 175,480	\$ 677,560	\$ 8,943,730	\$ 1,005,880	\$ 4,353,574	\$ 40,638,338
Increase in Appraised Value	\$ 314,877,200	\$ 287,220,314	\$ 84,480,200	\$ 70,102,300	\$ 89,700,300	\$ 11,369,300	\$ 44,401,100	\$ 95,368,476	\$ 175,375,300	\$ 41,862,114	\$ 1,214,756,604
Increase in Assessed Value (Increment)	\$ 129,431,040	\$ 114,888,126	\$ 33,792,080	\$ 28,040,920	\$ 35,880,120	\$ 4,547,720	\$ 17,760,440	\$ 38,166,270	\$ 70,150,120	\$ 17,240,347	\$ 489,897,183

Source: DeKalb County Assessor, KB Advisory Group

DeKalb County TAD #5 Redevelopment Opportunities



Source: DeKalb County, KB Advisory Group

- **101: Shadowbox Expansion**
- **102: Gallery at South DeKalb Mall,**
- **103: Big Lots**
- **104: Family Dollar**
- **105: Moreland MU 1**
- **106: Moreland MU 2**
- **107: Moreland MU 3**
- **108: Moreland MU 4**
- **109: South DeKalb Mixed-Use Mixed-Income Residential**
- **110: Candler Corridor**

Collectively, redeveloped parcels in the TAD area could be valued at **\$1.3 billion after** redevelopment, with an assessed value of **\$530.5 million**, compared to the current assessed value of **\$123.4 million**.

E. Contracts, Agreements, or Other Instruments

Pursuant to O.C.G.A. §34-44-3(a), Decide DeKalb will act as the redevelopment agent and will exercise redevelopment powers as needed to implement this plan. In doing so, DeKalb County, either directly or through Decide DeKalb, may conduct the following activities and enter into the following contracts:

1. Coordinate implementation activities with other major participants in the Redevelopment Plan and their respective development and planning entities involved in implementing this Redevelopment Plan.
2. Enter into development agreements with private developers to construct infrastructure and vertical developments to implement the Redevelopment Plan.
3. Negotiate and enter into commercial financing agreements and intergovernmental agreements as needed.
4. Coordinate public improvement planning, design and construction among City, County and State agencies and departments.
5. Prepare (either directly or through subcontract to other appropriate entities) economic and financial analyses, project-specific feasibility studies and assessments of tax base increments in support of the issuance of tax allocation bonds or other forms of financing by DeKalb County.
6. Enter into contractual relationships with qualified vendors for the provision of professional and other services required in qualifying and issuing the bonds or other forms of financing, including, but not limited to, legal, underwriting, financial analysis and other related services.
7. Perform other duties as necessary to implement the Redevelopment Plan.

F. Relocation Payments

As is currently foreseen, no relocation of businesses, tenants or residents from private homes is anticipated within the proposed DeKalb County TAD #5. In the future, should the relocation of existing homes or businesses be required, such relocation expenses may be provided for under all applicable federal, state and local guidelines if public funds are used for property acquisition. If such funding sources require relocation, benefits would be offered to tenants and users for relocation.

G. Conformity with Local Comprehensive Plan, Master Plan, Zoning Ordinance, etc.

All proposed uses within this Redevelopment Plan, including proposed redevelopment projects, are consistent with local Comprehensive Plan, master plan, zoning ordinance, and building codes. Proposed redevelopment projects outlined in this plan are consistent with locally managed public visioning and planning processes. All projects are consistent with the DeKalb 2050 Unified and Comprehensive Land Use Plans. All development and redevelopment projects proposed within this Redevelopment Plan will be subject to all relevant local, state and federal laws, policies and procedures regarding land use, zoning, and construction.

H. Estimate of Redevelopment Costs to be Incurred

Improvements to DeKalb County infrastructure and other eligible redevelopment costs will be necessary to support the community's vision of redevelopment for the area and to support the growth and development envisioned in this redevelopment plan and the DeKalb 2050 Unified and Comprehensive Land Use Plans. The Tax Allocation District will help fund the infrastructure improvements necessary to support this vision.

The total public cost for implementing the potential public improvements, including construction and improvement of the necessary public infrastructure and other eligible redevelopment costs, could reach up to \$774 million based on the upper limit of the pay-as-you go tax allocation revenue potential (including county and school property tax millage) as outlined in section N of this Redevelopment Plan. Actual redevelopment expenses incurred will be commensurate with TAD revenues as accrued, as projects and grants are added to potential project lists based on timely and accurate revenue forecasts.

The purpose of the proposed infrastructure improvements funded by the TAD would be:

- Transportation and mobility enhancements;
- Site-specific development activities;
- Area-wide infrastructure improvements;
- Affordable housing and related programs;
- Improved public space, landscaping, lighting, and other improvements; and
- Other redevelopment initiatives, including land acquisition for property assemblage and right-of way for multi-use paths and transportation enhancements.

The following table presents target allocations for each category of TAD spending as a basis and guideline for future TAD funding considerations by the Redevelopment Agent.

DeKalb TAD #5: Southwest DeKalb TAD -Potential Use of TAD Funds			
	TAD #5 Allocation	County	County & Schools
Transportation and mobility enhancements	15%	\$53,850,000	\$116,100,000
Site-specific development programs	20%	\$71,800,000	\$154,800,000
Area-wide infrastructure improvements	15%	\$53,850,000	\$116,100,000
Affordable housing and related programs	15%	\$53,850,000	\$116,100,000
Public space, landscaping, lighting, and other uses	5%	\$17,950,000	\$38,700,000
Parks, recreation and community facilities	15%	\$53,850,000	\$116,100,000
Other Uses & Land Acquisition	15%	\$53,850,000	\$116,100,000
Total	100%	\$359,000,000	\$774,000,000

Categories and cost allocations are estimates for potential projects as of 2022 and are subject to revision as the Redevelopment Plan is implemented. As priorities are identified or addressed, specific project amounts, allocations and priorities are subject to change.

I. Last Known Assessed Valuation and Estimated Valuation After Redevelopment

The Redevelopment Area for DeKalb County Tax Allocation District #5 has a current (2023) appraised value of \$890.7 million and a taxable value of \$303.8 million. Pursuant to the Redevelopment Powers Law, upon adoption of the Redevelopment Plan and the creation of the Tax Allocation District, the County will request that the Commissioner of Revenue of the State of Georgia certify the tax base for 2023, the base year for the proposed Tax Allocation District.

The tax base will increase in the future through the private investment stimulated by the implementation of the Redevelopment Plan, public investment, through the application of TAD revenue on a pay-as-you-go basis or the issuance of tax allocation bonds or a combination of such sources. In addition, this redevelopment is intended to stimulate other development in the district and lead to a substantial increase in property values as the Redevelopment Plan is implemented.

Upon the projected 2034 completion of the redevelopment of the DeKalb County Tax Allocation District #5 Redevelopment Area as presented in this plan, this Tax Allocation District is projected to have a taxable value of \$793.7 million. This represents an increment of \$489.9 million above the Redevelopment Area's 2023 base taxable value.

DeKalb TAD #5: Southwest DeKalb TAD Value	Appraised/Market Value	Tax value (40%)
TAD Area Redevelopment Parcels 2023 Value	\$ 111,582,196	\$ 40,638,338
TAD Area Other Parcels (Non-Exempt) 2023 Value	\$ 548,780,550	\$ 180,448,654
TAD Area Other Parcels (Exempt) 2023 Value	\$ 0	\$ 0
Total TAD Area Parcels 2023 values	\$ 890,693,778	\$ 303,804,888
New Development At Build-Out Market Value	\$ 1,326,338,800	\$ 530,535,520
Redevelopment Value Displaced	-\$ 111,582,196	-\$ 40,638,338
Total TAD Area Value after Build-out	\$ 2,105,450,382	\$ 793,702,071
Net Increase in Value after Build-Out	\$ 1,214,756,604	
Net Increase in Taxable value (Increment)		\$ 489,897,183

Source: KB Advisory Group, DeKalb County Assessor

J. Historic Property

24 parcels in the proposed TAD lie in the the Soapstone Historic District.

There are only two historical districts in all of DeKalb County and Soapstone Ridge is one of them. Unlike the Druid Hills Historical District, Soapstone is primarily devoted to preserving archeological sites. The area of this historic district amounts to roughly 16 square miles in total and contains many archeological sites, including Late Archaic quarry sites dated between 600 BCE and 1500 BCE.

Furthermore, Soapstone Ridge is the location of the most extensive group of Native American soapstone quarry and workshop sites in the Southeast. At least 17 quarry sites and 23 workshops sites have been located on the ridge. The mineral soapstone (also called steatite) was used extensively by Native Americans to create large stone bowls, pipes, and ornaments.

As the population of DeKalb County—and District 3—continues to grow, residential development has begun encroaching on the area more and more. However, a study conducted by the DeKalb County

Planning Commission in 1976 analyzed soils, hydrology, botany, zoology, and land use patterns indicate that the area maintains considerable environmental and cultural integrity. That being said, recent residential developments have continued as the study anticipated, making it more important now than ever to preserve the site. [Source: <https://commissionerlarryjohnson.com/soapstone-ridge/>]

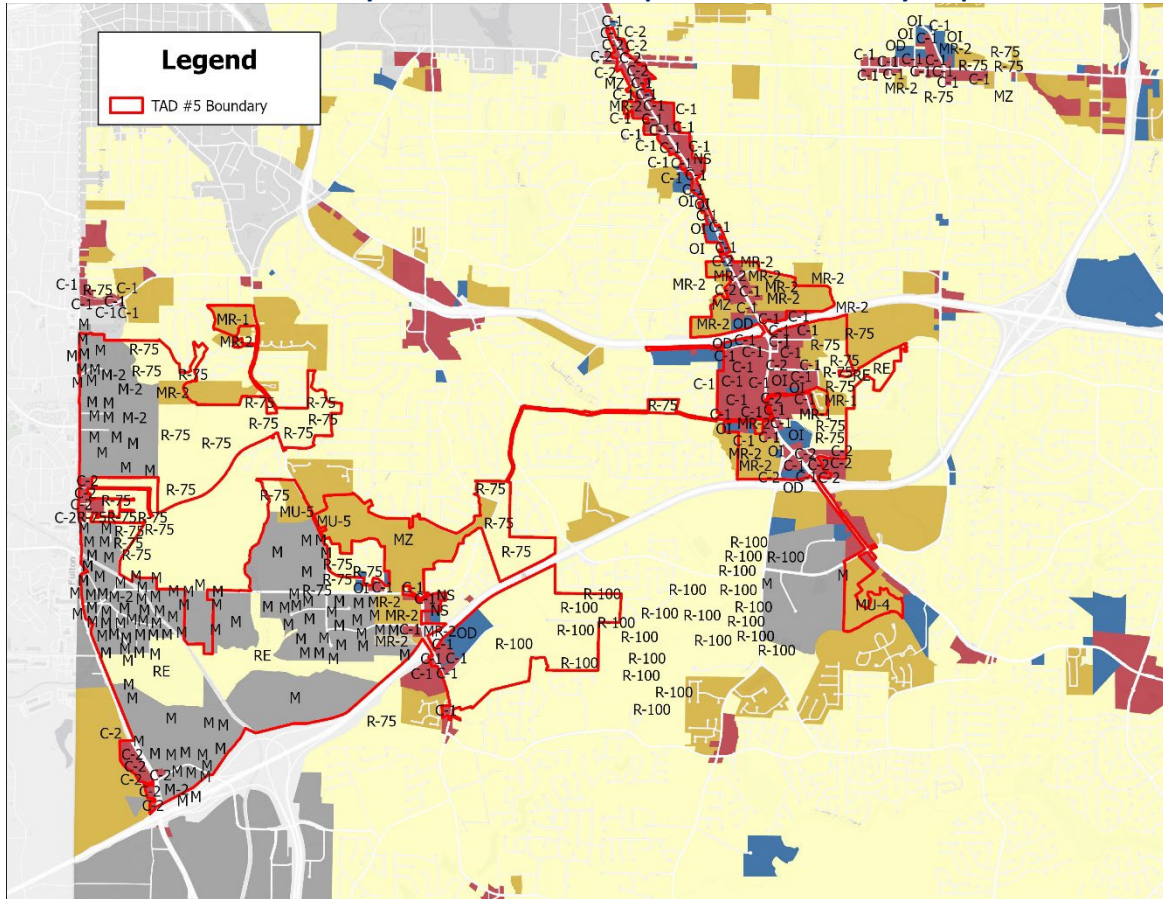
K. Proposed Effective Date and Termination Date

DeKalb County Tax Allocation District #5 will be created effective December 31, 2023. The Redevelopment Powers Law provides that the district will be in existence until all obligations and redevelopment costs, including debt service, are paid in full. This repayment could take up to 25 or more, with a targeted termination date of December 31, 2048.

L. Map with Boundaries of the Proposed TAD and Existing Land Uses

The DeKalb County TAD #5 Redevelopment Area contains primarily commercial and industrial properties, along with parks, wetlands and open space. A small number of single-family residential properties are included for potential additions to park space or future potential right-of-way acquisition for bike and pedestrian trails linking to school properties. Existing land use is shown in the map below.

DeKalb County TAD #5 and Redevelopment Area Boundary Map



Source: KB Advisory Group, DeKalb County, Atlanta Regional Commission LandPRO

M. Estimated Tax Allocation Increment Base

On or before December 31, 2023, Decide DeKalb, acting as the redevelopment agent, will apply to the State Revenue Commissioner for a certification of the Tax Allocation increment base of the proposed Tax Allocation District. The estimated taxable value for property tax purposes in the TAD is \$295,749,650, which represents 0.92% of DeKalb County's Tax Digest of \$32.9 billion and 1.02% of DeKalb County Schools' property Tax Digest of \$29.8 billion. Collectively, this proposed tax allocation district, along with DeKalb County's four other existing Tax Allocation Districts, would represent 1.74% of the County digest and 1.92% of the Schools digest.

The base is estimated as follows:

DeKalb TAD #5:Southwest DeKalb TAD - Tax Digest	DeKalb TAD #5	Other DeKalb TADs	All DeKalb TADs
TAD Area Parcels	794		
TAD Area Parcels Acreage	3,411		
Total TAD Area Parcels 2023 Appraised value	\$ 890,693,778		
Total TAD Area Parcels 2023 Assessed value	\$ 303,804,888	\$ 269,547,334	\$ 573,352,222
2022 CITY Tax Digest	\$ -		
TAD as % of CITY Tax Digest			
2022 DeKalb County Tax Digest	\$ 32,900,495,681		
TAD as % of DeKalb County Tax Digest	0.92%	0.82%	1.74%
2022 DeKalb County Schools Tax Digest	\$ 29,801,366,248		
TAD as % of DeKalb County Schools Tax Digest	1.02%	0.90%	1.92%

Source: KB Advisory Group, DeKalb County GIS, Georgia Department of Revenue

N. Ad Valorem Property Taxes for Computing Tax Allocation Increments

As provided in the Redevelopment Powers Law, the taxes that will be included in the tax increment base for the Tax Allocation District are based on the authorized millage rates shown in the chart below.

Property Taxes Collected Within Tax District to Serve as Base

DeKalb TAD #5:Southwest DeKalb TAD - Valuation		
Base Appraised value (100%)		\$ 890,693,778
Base Assessed Value (40%)		\$ 303,804,888
DeKalb TAD #5:Southwest DeKalb TAD - Property Taxes		
Ad Valorem Tax Rates (M&O Only)	2022 Millage Rate	Taxes
DeKalb County Millages		
DeKalb County OPNS	9.108	
DeKalb County Fire	2.996	
DeKalb County Police Service	6.670	
DeKalb County Uninc Tax District	1.176	
DeKalb County Total Millage	19.95	\$ 6,060,908
DeKalb Schools M&O Millage	23.08	\$ 7,011,817
Total Property Taxes, City, Schools, County	43.03	\$ 13,072,724

Source: KB Advisory Group, Georgia Department of Revenue

O. Estimate of TAD Revenue

Based on the parcels included in the TAD and the potential redevelopment being considered, we can forecast how much potential TAD revenue could be generated by the TAD, as well as how much financing potential could be supported based on that revenue. The TAD's parcels, buildings and adjacent infrastructure would be improved incrementally over time, through a number of self-contained pay-as-you-go TAD deals, TAD bond issuances or bank loans financed by TAD revenue.

This model is based on several assumptions:

- \$1.3 billion of new redevelopment investment;
- \$489.9 million incremental increase in property values;
- Ten-year build-out of incremental development (2024-2034);
- Constant 2023 millages;
- 2.5% annual property value inflation;
- DeKalb County and City Schools revenue calculated separately and collectively;
- TAD dissolved after 25 years; and
- This model assumes four bond issuances, in 2024, 2027, 2028, and 2032, all of which are fully repaid within the 25-year TAD period.

Based on these assumptions:

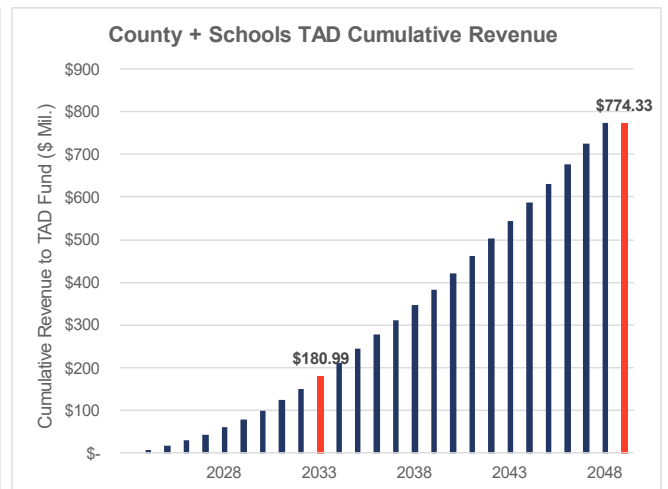
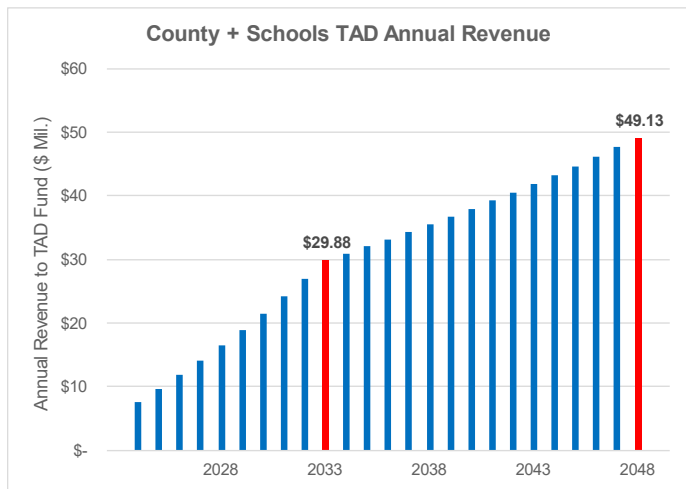
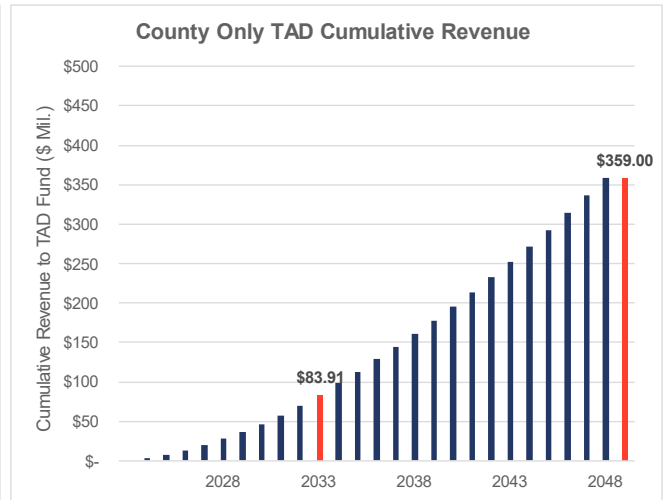
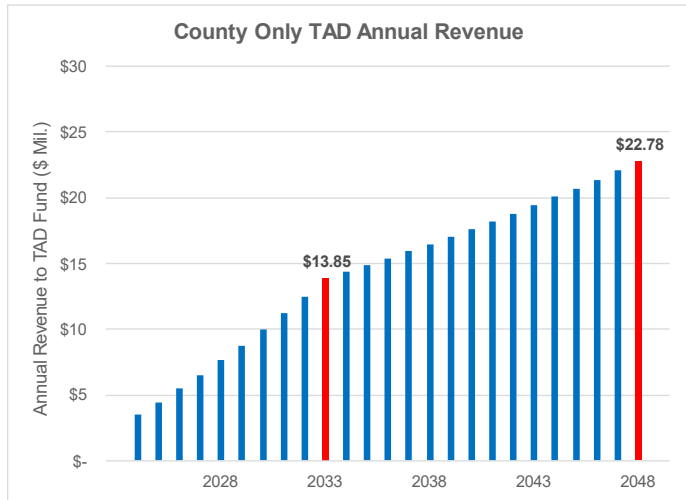
- **The base value** of the 794 parcels in the TAD, frozen at \$890.7 million through the life of the TAD, would continue to generate approximately \$151.5 million in property tax revenue to the General Funds of DeKalb County and approximately \$175.3 million in property tax revenue to the DeKalb County Schools over the projected 25-year life of the TAD.
- **Year 10:** In 2034, the 10th year of the TAD, the incremental growth of property values within the TAD area, driven by redevelopment of parcels within the TAD, would generate approximately \$13.8 million in TAD incremental revenue from DeKalb County millages and \$29.88 million from DeKalb Schools millage. Cumulative TAD incremental revenue from years 1 through 10 would be \$84 million for DeKalb County millage alone and \$181 million from County and Schools millage combined.
- **Year 25:** In 2047, the 25th year of the TAD, the incremental growth of property values within the TAD area, driven by redevelopment of parcels within the TAD, would generate approximately \$23 million in TAD incremental revenue from DeKalb County millages and \$26 million from DeKalb Schools Millages, or \$48 million collectively. Cumulative TAD incremental revenue from years 1 through 25 would be \$359 million for DeKalb County millage alone and \$774 million from County & Schools millage.

TAD Cash Flow Forecast based on 25-year Development Assumptions, in millions of dollars

Year	County Only TAD Annual Revenue	County Only TAD Cumulative Revenue	County + Schools TAD Annual Revenue	County + Schools TAD Cumulative Revenue
	\$ -	\$ -	\$ -	\$ -
2024	\$ 3.51	\$ 3.51	\$ 7.56	\$ 7.56
2025	\$ 4.47	\$ 7.98	\$ 9.64	\$ 17.21
2026	\$ 5.48	\$ 13.46	\$ 11.82	\$ 29.02
2027	\$ 6.53	\$ 19.99	\$ 14.09	\$ 43.11
2028	\$ 7.63	\$ 27.62	\$ 16.45	\$ 59.56
2029	\$ 8.77	\$ 36.39	\$ 18.92	\$ 78.48
2030	\$ 9.96	\$ 46.35	\$ 21.49	\$ 99.98
2031	\$ 11.21	\$ 57.56	\$ 24.17	\$ 124.15
2032	\$ 12.50	\$ 70.06	\$ 26.97	\$ 151.12
2033	\$ 13.85	\$ 83.91	\$ 29.88	\$ 180.99
2034	\$ 14.35	\$ 98.26	\$ 30.95	\$ 211.95
2035	\$ 14.86	\$ 113.12	\$ 32.05	\$ 244.00
2036	\$ 15.38	\$ 128.51	\$ 33.18	\$ 277.18
2037	\$ 15.92	\$ 144.43	\$ 34.34	\$ 311.51
2038	\$ 16.47	\$ 160.90	\$ 35.52	\$ 347.03
2039	\$ 17.03	\$ 177.93	\$ 36.74	\$ 383.77
2040	\$ 17.61	\$ 195.54	\$ 37.98	\$ 421.75
2041	\$ 18.20	\$ 213.74	\$ 39.26	\$ 461.01
2042	\$ 18.81	\$ 232.55	\$ 40.57	\$ 501.58
2043	\$ 19.43	\$ 251.97	\$ 41.91	\$ 543.48
2044	\$ 20.07	\$ 272.04	\$ 43.28	\$ 586.76
2045	\$ 20.72	\$ 292.76	\$ 44.69	\$ 631.45
2046	\$ 21.39	\$ 314.15	\$ 46.13	\$ 677.59
2047	\$ 22.08	\$ 336.23	\$ 47.61	\$ 725.20
2048	\$ 22.78	\$ 359.00	\$ 49.13	\$ 774.33
	\$ -	\$ 359.00	\$ -	\$ 774.33

Source: KB Advisory Group, DeKalb County Assessor

TAD Cash Flow Forecast based on 25-year Development Assumptions, in \$ millions of dollars



Source: KB Advisory Group, DeKalb County Assessor

- **Bonding potential:** Based on this development model, TAD revenue would build up slowly as new development is added over a 9-year period, after which existing and new property value would continue to increase through inflation modeled at 2%/year. Jurisdictions often issue bonds secured by anticipated TAD revenues. Those revenues can be used to service debt on those bonds. This model assumes four bond issuances, in 2024, 2027, 2028, and 2032, all of which would fully be repaid by the proposed TAD expiration date of 2047, after 25 years. Collectively, those bonds would generate:
 - \$72.4 million based on County millage alone;
 - \$156.1 million based on County and Schools millage;

County Only Bonding Potential	20-Year TAD Bond Issued				Total Bonding Potential
	2024	2027	2028	2032	
Year of Issuance	2024	2027	2028	2032	
Bond Expiration	2044	2047	2048	2047	
TAD Revenue	\$ 3,505,776	\$ 6,530,888	\$ 7,627,937	\$ 12,502,864	
Encumbered revenue	\$ -	\$ 3,505,776	\$ 6,530,888	\$ 7,627,937	
Unencumbered TAD Revenue	\$ 3,505,776	\$ 3,025,112	\$ 1,097,049	\$ 4,874,927	
Property Taxes for Debt Service (95%)	\$ 3,330,487	\$ 2,873,857	\$ 1,042,197	\$ 4,631,181	
Debt Coverage Ratio	125%	125%	125%	125%	
Bondable Property Tax	\$ 2,664,390	\$ 2,299,085	\$ 833,757	\$ 3,704,945	
Interest Rate	8.0%	8.0%	8.0%	8.0%	
Bond Term (years)	20	20	20	15	
Estimated Bond Amount	\$ 26,367,830	\$ 22,752,639	\$ 8,251,184	\$ 32,033,012	
Issuance Costs (3%)	\$ (791,035)	\$ (682,579)	\$ (247,536)	\$ (960,990)	
Capitalized Interest (24 months)	\$ (4,218,853)	\$ (3,640,422)	\$ (1,320,189)	\$ (5,125,282)	
Net Bond Proceeds (County Only.)	\$ 21,357,943	\$ 18,429,637	\$ 6,683,459	\$ 25,946,740	\$ 72,417,779
Net Bond Proceeds (County +Sch.)	\$ 46,066,780	\$ 39,750,742	\$ 14,415,501	\$ 55,964,322	\$ 156,197,345

Source: KB Advisory Group, DeKalb County Tax Accessor

- Another funding alternative is “pay-as-you-go” funding which uses TAD funds directly as they accrue in the TAD account.
 - Up to \$359 million over 25 years based on County revenue alone;
 - Up to \$774 million over 25 years based on County and Schools revenue.

Pay-as-you-go Funding Potential	County Only	County + Schools
Years 1-10	\$ 27,615,155	\$ 59,562,913
Years 1-15	\$ 83,914,328	\$ 180,994,163
Years 1-20	\$ 232,545,231	\$ 543,481,924
Years 1-25	\$ 359,004,564	\$ 774,334,156

Source: KB Advisory Group, DeKalb County Tax Accessor

P. Estimate of positive tax allocation increments

Upon the projected 2034 completion of the redevelopment of the DeKalb County Tax Allocation District #5 Redevelopment Area as presented in this plan, this Tax Allocation District is projected to have a taxable value of \$793.7 million. This represents an increment of \$489.9 million above the Redevelopment Area's 2022 base taxable value.

DeKalb TAD #5:Southwest DeKalb TAD Value	Appraised/Market Value	Tax value (40%)
TAD Area Redevelopment Parcels 2023 Value	\$ 111,582,196	\$ 40,638,338
TAD Area Other Parcels (Non-Exempt) 2023 Value	\$ 548,780,550	\$ 180,448,654
TAD Area Other Parcels (Exempt) 2023 Value	\$ 0	\$ 0
Total TAD Area Parcels 2023 values	\$ 890,693,778	\$ 303,804,888
New Development At Build-Out Market Value	\$ 1,326,338,800	\$ 530,535,520
Redevelopment Value Displaced	-\$ 111,582,196	-\$ 40,638,338
Total TAD Area Value after Build-out	\$ 2,105,450,382	\$ 793,702,071
Net Increase in Value after Build-Out	\$ 1,214,756,604	
Net Increase in Taxable value (Increment)		\$ 489,897,183

Source: KB Advisory Group, DeKalb County Assessor

Q. Property Proposed to be Pledged for payment or Security of TAD bonds

Tax Allocation Bonds may be secured by positive tax allocation increments derived from the tax allocation district, all or part of general funds derived from the tax allocation district, and any other property from which bonds may be paid under Code Section 36-44-14, subject to the limitations of Code Sections 36-44-9 and 36-44-20.

R. School System Impact Analysis

Georgia's Redevelopment Powers Law, which governs the operation of tax allocation districts in the State, was amended during the 2009 legislative session to include a new provision under section 36-44-3(9)(R) for preparation of a "School System Impact Analysis." This section presents the school impacts of the proposed Tax Allocation District in DeKalb County in order to address the requirements of this portion of the Redevelopment Powers Law.

Current Value of TAD vs. the DeKalb County Schools Tax Digest

The current (2023) property taxes generated to DeKalb Schools by the TAD area equals \$6,981,436 annually. According to the Georgia Department of Revenue, the most recent published taxable value for the DeKalb County Schools net taxable digest (M&O) is \$29,801,366,248. Thus, the TAD currently represents less than one percent (0.99%) of the DeKalb School District's total tax digest.

The amount of ad valorem school taxes collected from the properties in the designated TAD, as determined by the tax assessor on December 31, 2023, will continue to flow to the DeKalb County School District throughout the operation of the TAD.

TAD DIGEST (2023) AS A PERCENTAGE OF DEKALB COUNTY SCHOOLS DIGEST	
TAD #5 Assessed Property Value, 2023:	\$ 303,804,888
DeKalb County Schools Millage Rate:	0.02298
2023 TAD parcels property taxes to DeKalb County Schools:	\$ 6,981,436
DeKalb County Schools Net M&O Digest, 2023:	<u>\$ 29,801,366,248</u>
TAD #5 as a % of DeKalb County Schools Tax Digest:	<u>1.02%</u>

Source: DeKalb County Schools *Millage History*, KBAG

The TAD Special Fund will only receive any additional property taxes collected above the 2023 base amount for use to support redevelopment in the designated TAD.

Estimated Number of Public-School Students from the Redevelopment.

The hypothetical redevelopment plans associated with the TAD estimates the creation of 2,179 housing units over the course of a ten year build out period, of which 1,692 units will be multifamily rental housing, 415 units will be for-sale townhomes and 71 units will be for-sale single-family detached homes. An estimate of the number of residents and school-age children is shown in the following table.

ESTIMATES OF POPULATION AND SCHOOL AGED CHILDREN FROM THE DEVELOPMENT					
Unit Type	Total Units At Build-Out	Population Multiplier	Estimated Population	School Aged	Estimated
				Children Multiplier	School Aged Children
MF - Studio	68	1.60	109	0.25	17
MF - 1 BR	931	0.94	872	0.06	52
MF - 2 BR	609	1.52	923	0.33	198
MF - 3 BR	85	2.11	179	0.43	36
SF Detached	71	2.30	163	0.44	31
Townhome	415	1.69	700	0.43	177
Total at Build-Out	2,179		2,946		512
Estimated New Public School Children at Build out*					484

* Assumes 5% private school attendance rate based on US Census Local average (PUMS 2020)

As shown above, after the 10-year build-out, there will be an estimated 2,946 residents in the 2,179 housing units created. This represents an average growth of 295 residents per year over the build-out. However, based on previous studies we estimate that only 60% will be new residents to DeKalb County; this means that the redevelopment is projected to draw 1,179 *new* residents to DeKalb County.

In terms of school-age children, the 2,179 housing units will be composed of multifamily rental units and townhouses. Using demographic multipliers developed from the US Census Bureau's ACS Public Use Microdata Sample (PUMS) database makes it possible to estimate the number of school-age children by unit and bedroom type. As shown above, there will be an estimated 512 school-age children living in the development once it is complete. Of these children, we estimate that 484 will be enrolled in DeKalb County's public school system. Since the arrival of these students will happen gradually over the build-out period, it gives DeKalb Schools time to accommodate the growth in either its existing facilities or by adding capacity to existing or new facilities.

Based on data from the Department of Education on per pupil expenditures for the schools both within the redevelopment area and those that would still receive students from new residents of

ESTIMATED SCHOOL COSTS FROM HYPOTHETICAL TAD REDEVELOPMENTS	
	At Build-Out
Estimated Public School Students	484
Per Pupil Local & State Expenditures	\$12,369
Estimated Annual Costs to Schools from New Students	\$ 5,986,768

Source: Department of Education, KBAG

the area, the estimated annual costs for education would increase by \$5,986,768, however it is worth noting that only 50% of this cost would be the responsibility of DeKalb County schools, with the remainder of the funds coming from the state and federal levels.

NEW STUDENTS COST BY JURISDICTION			
	% of		
Jurisdiction	Jurisdiction's Student Cost Assumed	Per Student Cost by Jurisdiction	Total Cost by Jurisdiction
Federal	8%	\$990	\$478,941
State	42%	\$5,195	\$2,514,443
Local	50%	\$6,185	\$2,993,384

Source: KB Advisory Group, National Center for Education Statistics

The Location of School Facilities within the Redevelopment Area

There are three DeKalb County School facilities located inside the TAD boundary: Ronald E. McNair High School, Flat Shoals Elementary, and Cedar Grove Middle. All of these facilities would benefit from the improvement of surrounding properties in the proposed TAD.

Proposed Redevelopment in TAD

The proposed Tax Allocation District will support commercial and residential development on sites that are currently vacant and underutilized. Build-out is expected to reach 835,000 SF of new or reconditioned retail space, 135,000 SF of office, 1,490,000 SF of movie studio space, and dedicated open space/trails. The scope of this redevelopment is expected to reach full build-out over a ten year period between 2024-2034.

Projection of the Average Value of Residential Properties Resulting from Redevelopment

Based on the approved zoning of the Mall Redevelopment residential component, the Mall redevelopment project will include 1,692 net-new rental apartments and 415 net-new for-sale townhomes and 71 single-family detached homes, for a total of 2,179 housing units. The overall average fair market value of the planned multifamily rental apartment units is estimated at \$473,000 per housing unit. The proposed 486 for-sale units will have an average fair market value of \$550,000 per unit.

Estimate of School District Revenue Impacts from TAD Development Including ESPLOST

Currently, the entire 3,411-acre TAD area generates roughly \$6,796,327 per year in property taxes levied on real estate for the school system. These annual real estate taxes associated with the base value of the TAD would continue to flow to the School District’s general fund throughout the

operation of the TAD, as would current and future personal property taxes levied on business furnishings, inventories, and equipment.

The value of commercial and industrial personal property throughout DeKalb County averages 10% of total M&O digest value, so a similar ratio is used to determine the value of additional personal property digest created from the hypothetical redevelopment projects. At build out, the assessed digest value of personal property could exceed \$32.7 million. This generates an additional \$752,412 in personal property taxes for DeKalb Schools each year—significantly increasing the TADs revenue each year.

PERSONAL PROPERTY FROM TAD	
Commercial Property Assessed Value at Build-Out	\$388,190,848
DeKalb County Personal Property % of Commercial Digest	13%
Estimated Commercial Personal Property (Assessed)	\$32,742,047
Annual (Personal) Property Taxes to DeKalb County Schools	\$752,412

Source: KB ADVISORY GROUP, Georgia Dept. of Revenue

In addition, the new retail space added to the TAD area will generate sales taxes for DeKalb Schools during years in which a special purpose local option sales tax for educational purposes (ESPLOST) is in effect. DeKalb County voted in an 81% majority to renew the 1% ESPLOST tax in 2022. At completion, the commercial space will generate an estimated \$417.5 million in net sales annually (assuming 90% occupancy). This results in \$4.2 million in ESPLOST revenue annually to DeKalb Schools, by build-out.

The following table estimates total annual DeKalb School's revenues from the hypothetical redevelopment projects, at build out, including real estate digest from the base value of the TAD, plus personal property and sales taxes. After the TAD is dissolved, the School District would receive substantial additional property taxes on real estate that were pledged to the TAD.

PROPERTY AND SALES TAX REVENUE TO DEKALB COUNTY SCHOOLS AFTER TAD	
Estimated Net Assessed Value of Redevelopment	\$ 530,535,520
Estimated Assessed Personal Property Value	\$32,742,047
Total Assessed Property Value	\$563,277,567
DeKalb County Schools Millage Rate (M&O)	22.98
Estimated Annual Property Taxes to DeKalb Schools	\$12,944,118
Estimated New Sales at Built-Out Retail Component	\$417,500,000
Annual ESPLOST Revenue to DeKalb Schools @ 1%	\$4,175,000

Conclusion Regarding School District Impacts

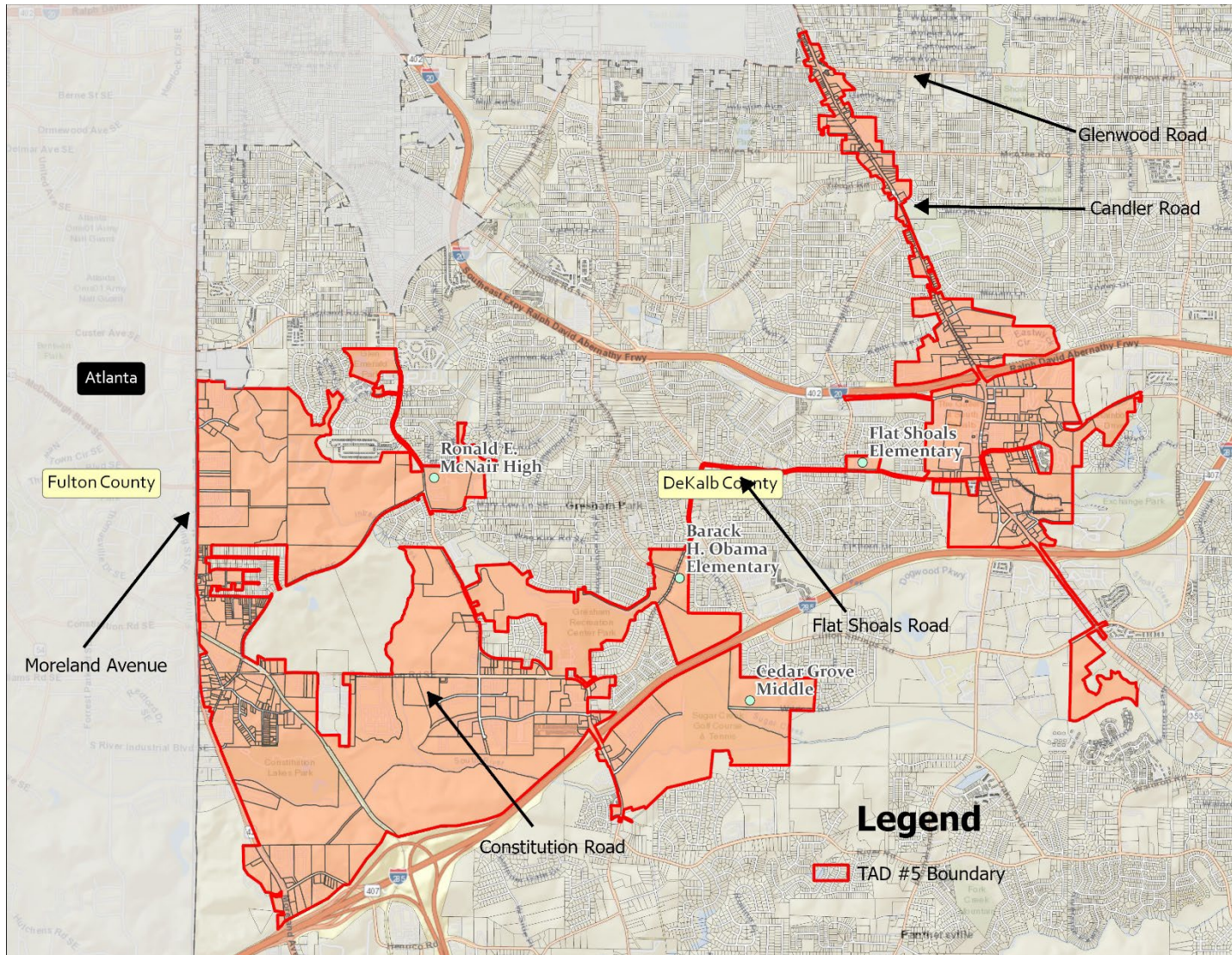
As demonstrated in the preceding analysis, the economic impacts to DeKalb County Schools from participating in TAD #5 are as follows:

1. Local students generated by new development forecast in the TAD will add an estimated \$2.99 million in locally-based education expenses to DeKalb County Schools.
2. The current amount of property taxes generated from within the TAD, approximately \$6,796,327, will continue to flow to the school system—only taxes associated with incremental real estate digest growth above the base amount are pledged to the TAD.

3. Development in the TAD area will add approximately 484 new public-school children to DeKalb County schools.
4. There are 3 DeKalb County schools within the TAD boundary which would be eligible to receive TAD-based funding for capital projects.
5. At build-out the proposed redevelopment in TAD should generate roughly \$17 million per year in School District revenues in base real estate taxes, personal property taxes, and ESPLOST, which represents a large increase over current revenues from the TAD revenues.

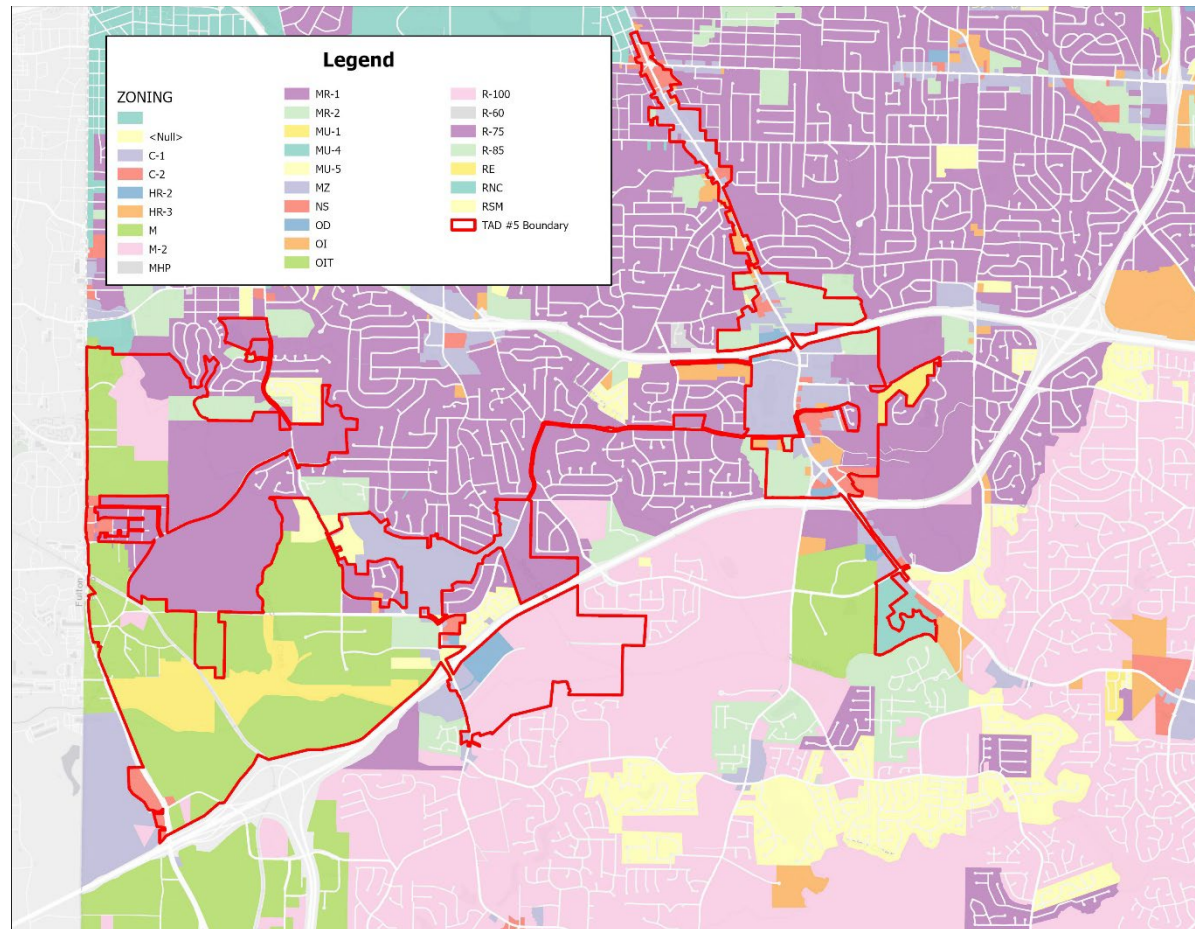
Thus, the potential gains to DeKalb County Schools from participating in the TAD will be substantially net positive from a financial perspective due to the future growth in its tax digest and ESPLOST revenues, with moderate impacts on the demand for school services.

Appendix A: Map of DeKalb County Tax Allocation District #5: Southwest DeKalb TAD Redevelopment Area with Educational Facilities



Source: DeKalb County, KB Advisory Group

Appendix B: Proposed TAD Area Existing Zoning 2022



Source: DeKalb GIS

**Appendix C: List of Parcels to be Included in DeKalb County Tax Allocation District #5:
Southwest DeKalb TAD**

Appendix D: Overview of Tax Allocation Districts

Tax allocation districts are Georgia’s version of tax increment financing. Tax increment financing is a redevelopment funding mechanism that reinvests the future taxes from real estate development back into a project as an incentive to attract new private investment into an area. As described by the Council of Development Finance Agencies. (www.cdfa.net), TIF was created and first used in California in 1952. Hundreds of TIF districts have helped spur urban redevelopment in cities across the country. Today, 49 states and the District of Columbia use some form of tax increment financing.

In 1985, the Georgia General Assembly authorized formation of Georgia’s form of tax increment financing called Tax Allocation Districts (TADs). The purpose of a Georgia Tax Allocation District is similar to tax increment financing in any other state. It uses the increased property taxes generated by new development in a designated Redevelopment Area to finance costs related to the development such as public infrastructure, land acquisition, relocation, demolition, utilities, debt service and planning costs. Other costs it might cover include:

- Sewer expansion and repair
- Storm drainage
- Street construction & expansion
- Water supply
- Park improvements
- Bridge construction and repair
- Curb and sidewalk work
- Grading and earthwork
- Traffic control
- Multi-use paths

Cities and counties throughout Georgia have created TADs to stimulate major new construction and renovation or rehabilitation in underdeveloped or blighted areas. For example, ten TADs have been created in Atlanta, and additional TADs have been created in Marietta, Smyrna, Acworth, Woodstock, Holly Springs, East Point, Clayton County and DeKalb County. Over 70 Georgia cities and counties have had local referendums authorizing the use of TADs in their communities. A TAD offers local governments the opportunity to promote redevelopment projects in areas that would otherwise not receive investment.

The creation of DeKalb County TAD #5 will enhance the private development community’s interest in investing in major redevelopment projects in the DeKalb County.

A TAD will bring economic benefits to DeKalb County. Other Georgia Tax Allocation Districts, areas like Atlantic Station (Midtown Atlanta) and Camp Creek Marketplace (East Point), have demonstrated the benefits of TAD, including:

- **A stronger economic base**—Private development that would not have occurred without the TAD designation is attracted by this incentive.

- **The halo effect**—Several Georgia TADs have generated significant new investment in areas surrounding the TAD as well as within the Tax Allocation Districts, further expanding the positive economic impact.
- **No impact on current tax revenues**—Redevelopment is effectively promoted without tapping into existing general governmental revenues or levying special assessments on property owners.
- **Expanded local tax base**—By stimulating economic activity TAD’s expand the local Tax Digest, generate additional retail sales, and as a result, additional sales tax revenues.
- **It is self-financing**—TADs are self-financing, since they are funded by the increased tax revenues from new development within the district.
- **High leverage**—Typically TAD funds represent between 5% -15% of project costs, leveraging 7 to 20 times their value in private investment.

In summary, a Tax Allocation District supports the infrastructure necessary to make an underutilized area attractive to private development, at no additional cost to the taxpayer. It does not create a tax increase for the community, nor does it reduce current tax revenues the community currently receives.

Tax allocation districts are authorized in Georgia under the Redevelopment Powers Law, O.C.G.A. Title 36, Chapter 44. In 2009, the Redevelopment Powers Law was amended again, with the following definition of a “Redevelopment Area”:

‘Redevelopment Area’ means an urbanized area as determined by current data from the US Bureau of the Census or an area presently served by sewer that qualifies as a ‘blighted or distressed area, a ‘deteriorating area,’ or an ‘area with inadequate infrastructure’ as follows:

(C) A ‘blighted or distressed area’ is an area that is experiencing one of more conditions of blight as evidenced by:

- (i) *The presence of structures, buildings, or improvements that by reason of dilapidation; deterioration; age; obsolescence; inadequate provision for ventilation, light, air, sanitation, or open space; overcrowding; conditions which endanger life or property by fire or other causes; or any combination of such factors, are conducive to ill health, transmission of disease, infant mortality, high unemployment, juvenile delinquency, or crime and are detrimental to the public health, safety, morals, or welfare;*
- (ii) *The presence of a predominant number of substandard, vacant, deteriorated, or deteriorating structures, the predominance of a defective or inadequate street layout, or transportation facilities; or faulty lot layout in relation to size, accessibility, or usefulness;*
- (iii) *Evidence of pervasive poverty, defined as being greater than 10 percent of the population in the area as determined by current data from the U.S. Bureau of the Census, and an unemployment rate that is 10 percent higher than the state average;*
- (iv) *Adverse effects of airport or transportation related noise or environmental contamination or degradation or other adverse environmental factors that the political subdivision has determined to be impairing the redevelopment of the area; or*
- (v) *The existence of conditions through any combination of the foregoing that substantially impair the sound growth of the community and retard the provision of housing accommodations or employment opportunities;*

(D) A ‘deteriorating area’ is an area that is experiencing physical or economic decline or stagnation as evidenced by two or more of the following:

- (vii) The presence of a substantial number of structures or buildings that are 40 years old or older and have no historic significance;*
- (viii) High commercial or residential vacancies compared to the political subdivision as a whole;*
- (ix) The predominance of structures or buildings of relatively low value compared to the value of structures or buildings in the surrounding vicinity or significantly slower growth in the property Tax Digest than is occurring in the political subdivision as a whole*
- (x) Declining or stagnant rents or sales prices compared to the political subdivision as a whole*
- (xi) In areas where housing exists at present or is determined by the political subdivision to be appropriate after redevelopment, there exists a shortage of safe, decent housing that is not substandard and that is affordable for persons of low and moderate income;*
- (xii) Deteriorating or inadequate utility, transportation, or transit infrastructure; and*

(E) An 'area with inadequate infrastructure' means an area characterized by:

- (i) deteriorating or inadequate parking, roadways, bridges, pedestrian access, or public transportation or transit facilities incapable of handling the volume of traffic into or through the area, either at present or following redevelopment; or*
- (ii) Deteriorating or inadequate utility infrastructure either at present or following redevelopment.*