



Atlanta Regional Commission

Fiscal Outcomes of Various Real Estate Types:

Aerotropolis



Presented for:

ARC Community Resources Committee

February 10, 2021

Presented by:

Geoff Koski

President



Now d/b/a



KB | ADVISORY GROUP



KB | ADVISORY GROUP

Grounded in Real-World Conditions, Backed up by Insightful Research and Analysis

Our goal is to help clients maximize the benefits of their economic development and real estate activities within five core capability areas:

1. **Real Estate Markets**
2. **Development Economics**
3. **Public Financing/Tax Increment Financing**
4. **Economic Impacts**
5. **Housing Analysis**



KB | ADVISORY GROUP
2001-2021 *20th Anniversary*

Informed, Insightful, Innovative



Presentation Contents

Fiscal Outcomes of Various Real Estate Types

- KB Examples / Greatest Hits
- Example from Macon
- “Near West Air Cities” Combined Decade of Development (2010-2020)
- Fiscal Outcomes of a Decade of Development (2010-2020)
- Conclusions/Implications



Recent Work



ECONOMIC AND FISCAL IMPACT ANALYSIS
 Atlantic Yards Office Development on Atlantic Station,
 the City of Atlanta, and Fulton County, Georgia

Prepared for
 the Hines Group
 by
 Bleakly Advisory Group, Inc.

October 2019

Hines



DOUGLASVILLE REDEVELOPMENT PLAN
 TAX ALLOCATION DISTRICT #1
 DOWNTOWN AND NORTH SIDE

JUNE 2019
 PREPARED FOR:
DOUGLASVILLE
 GEORGIA
 PREPARED BY:
 Bleakly Advisory Group

TAX ALLOCATION DISTRICT NUMBER 1
 CITY OF SOUTH FULTON
 EASTSIDE TAD
 &
TAX ALLOCATION DISTRICT NUMBER 2
 CITY OF SOUTH FULTON
 WESTSIDE TAD

REDEVELOPMENT PLAN

OCTOBER 14, 2020
 Prepared for:
 City of South Fulton, Georgia

Prepared by:
 Bleakly Advisory Group

LINCOLN PROPERTY COMPANY
 Bleakly Advisory Group

ECHO STREET WEST
 Economic Impact Analysis
 February 2020

Cumberland CID
 Economic Impact
 Update
 Executive
 Summary

Prepared by Bleakly
 Advisory Group

December 10, 2019

CUMBERLAND
 COMMUNITY IMPROVEMENT DISTRICT



KB | ADVISORY GROUP
 2001-2021 *20th Anniversary*



Property Value Comparison



Walkable
Downtown
District → **Downtown Woodstock**

- ▶ 21.6 Acres
- ▶ 151 Parcels
- ▶ 3.4 Acre Park



Outlet
Center → **The Outlet Shoppes at Atlanta**

- ▶ 48.81 Acres
- ▶ 370,000 SF
- ▶ 1,781 Parking Spaces



KB | ADVISORY GROUP
2001-2021 *20th Anniversary*



Property Value Comparison



Downtown Woodstock



- ▶ 21.6 Acres
- ▶ Taxable Value: \$77,920,398
- ▶ **\$3,607,426/Acre**

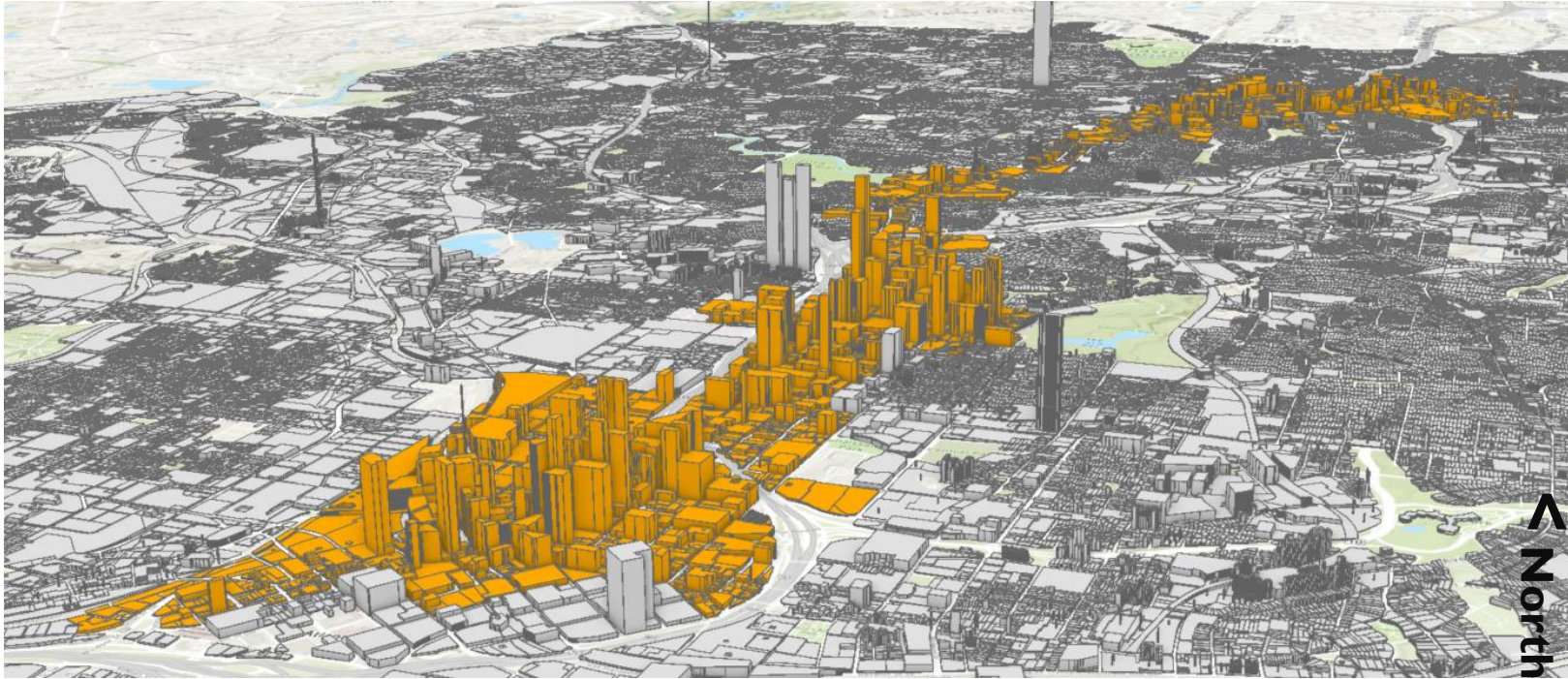


The Outlet Shoppes at Atlanta



- ▶ 48.81 Acres
- ▶ Taxable Value: \$13,381,648
- ▶ **\$274,158/Acre**






ECONOMIC IMPACT ANALYSIS FOR ATLANTA'S PEACHTREE CORRIDOR

- Downtown (Downtown CID Boundary)
- Midtown (Midtown CID Boundary)
- Buckhead (Buckhead CID Boundary)
- Peachtree Corridor

Presented by:

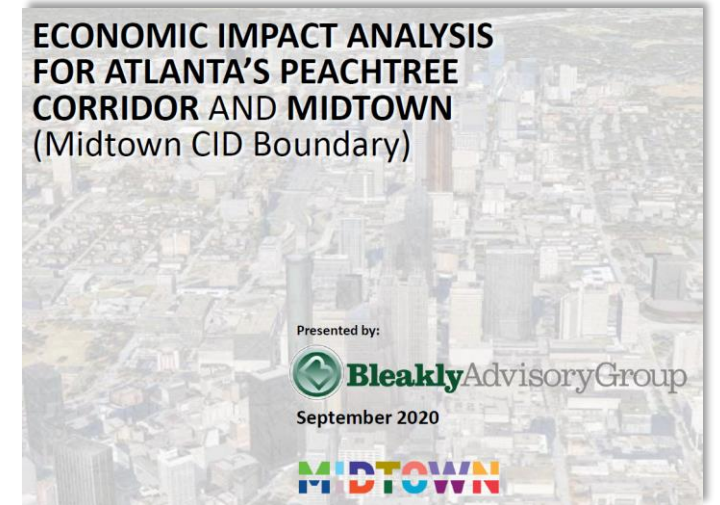
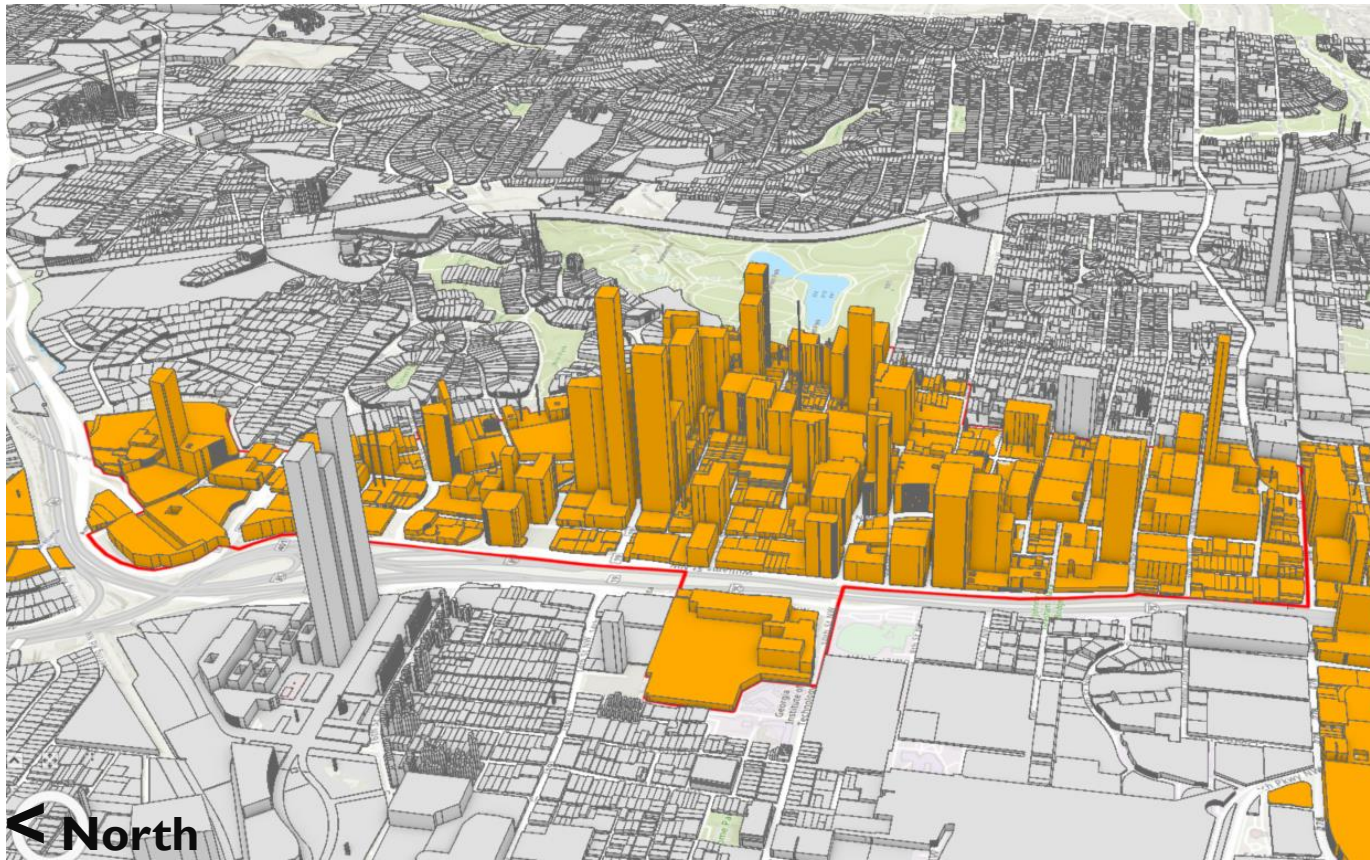
 **Bleakly** Advisory Group

September 2020

 ATLANTA DOWNTOWN  MIDTOWN  BUCKHEAD

The entire Peachtree corridor occupies **3.6%** of the city of Atlanta by **land area**, but accounts for **32% of its overall tax digest**.

- Per acre land values in the corridor overall are five times that of the rest of the city.



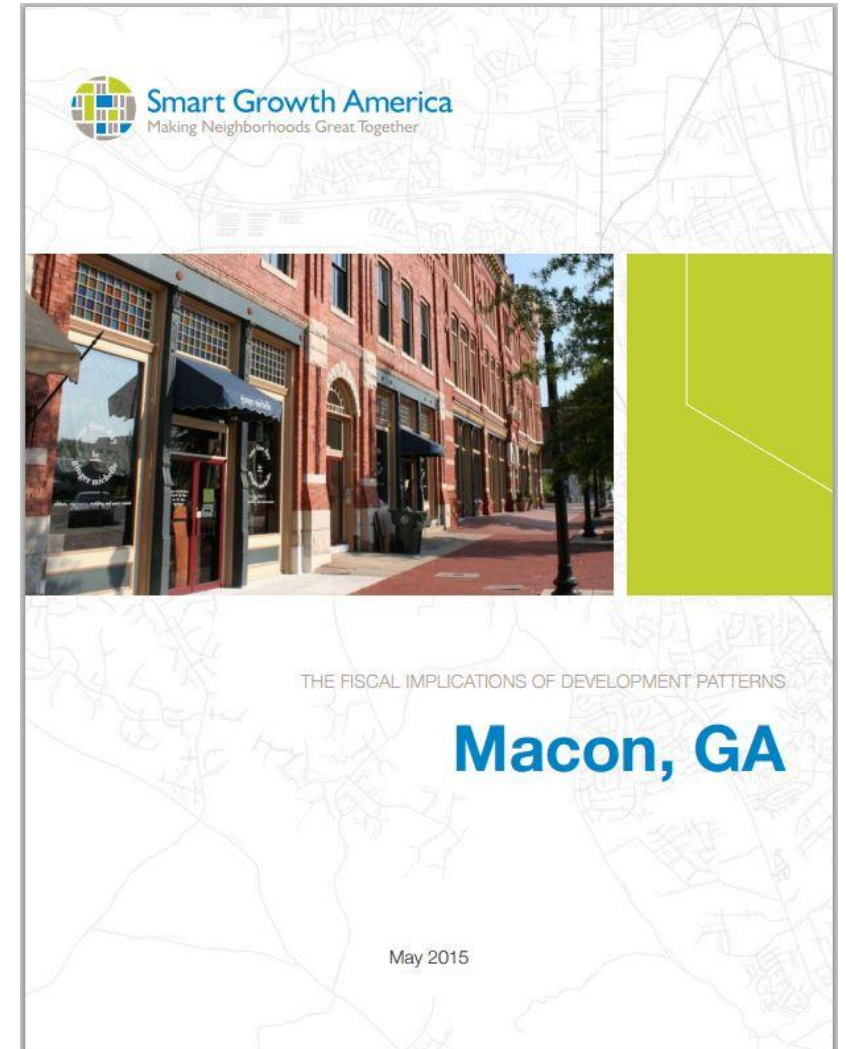
Midtown occupies roughly **0.8%** of the city of Atlanta's **land area**, but accounts for over **10% of its tax digest**.

- Properties in Midtown are worth almost 13-times the value of rest of the city on a per-acre basis.

Four scenarios of how Macon could grow and implications for the city's finances:

- ***Development on the edge of town***
Net: approx. **\$165,000 annually** for the city
- ***Same development, located downtown***
Net: approx. **\$428,000 annually**

Why?



KB | ADVISORY GROUP
2001-2021 *20th Anniversary*

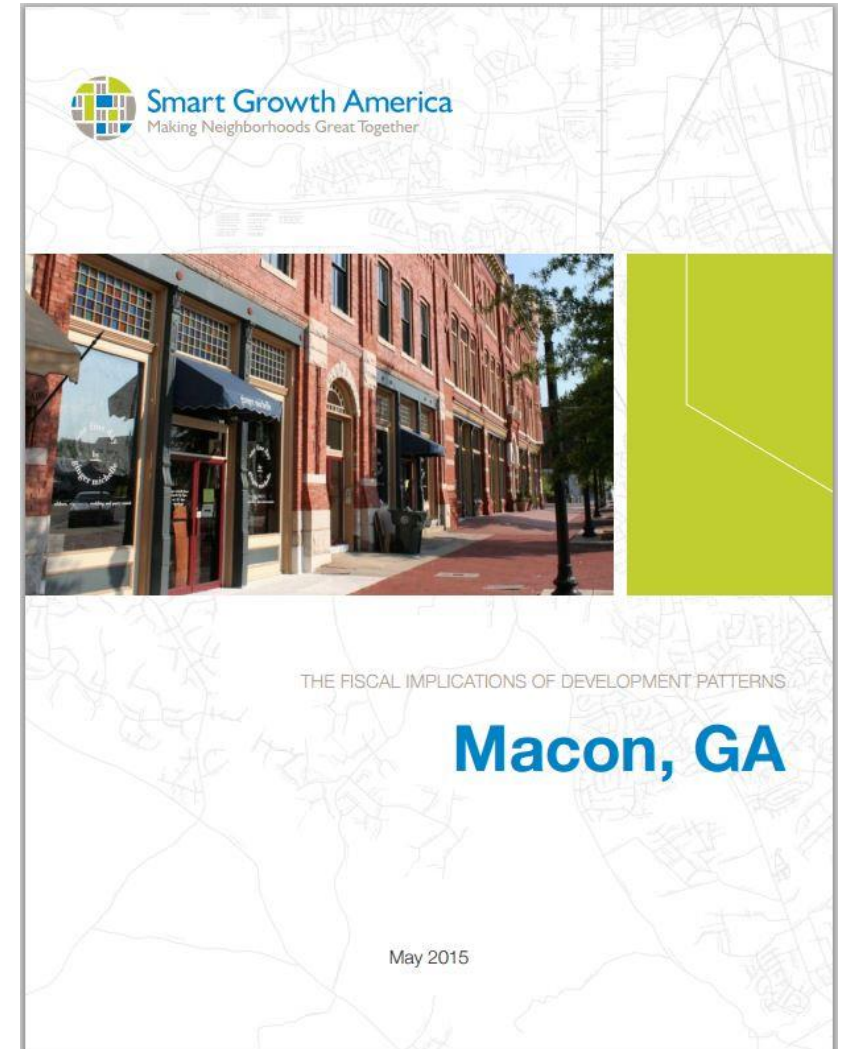


Four scenarios of how Macon could grow and implications for the city's finances:

- *Development on the edge of town*
Net: approx. **\$165,000 annually** for the city
- *Same development, located downtown*
Net: approx. **\$428,000 annually**

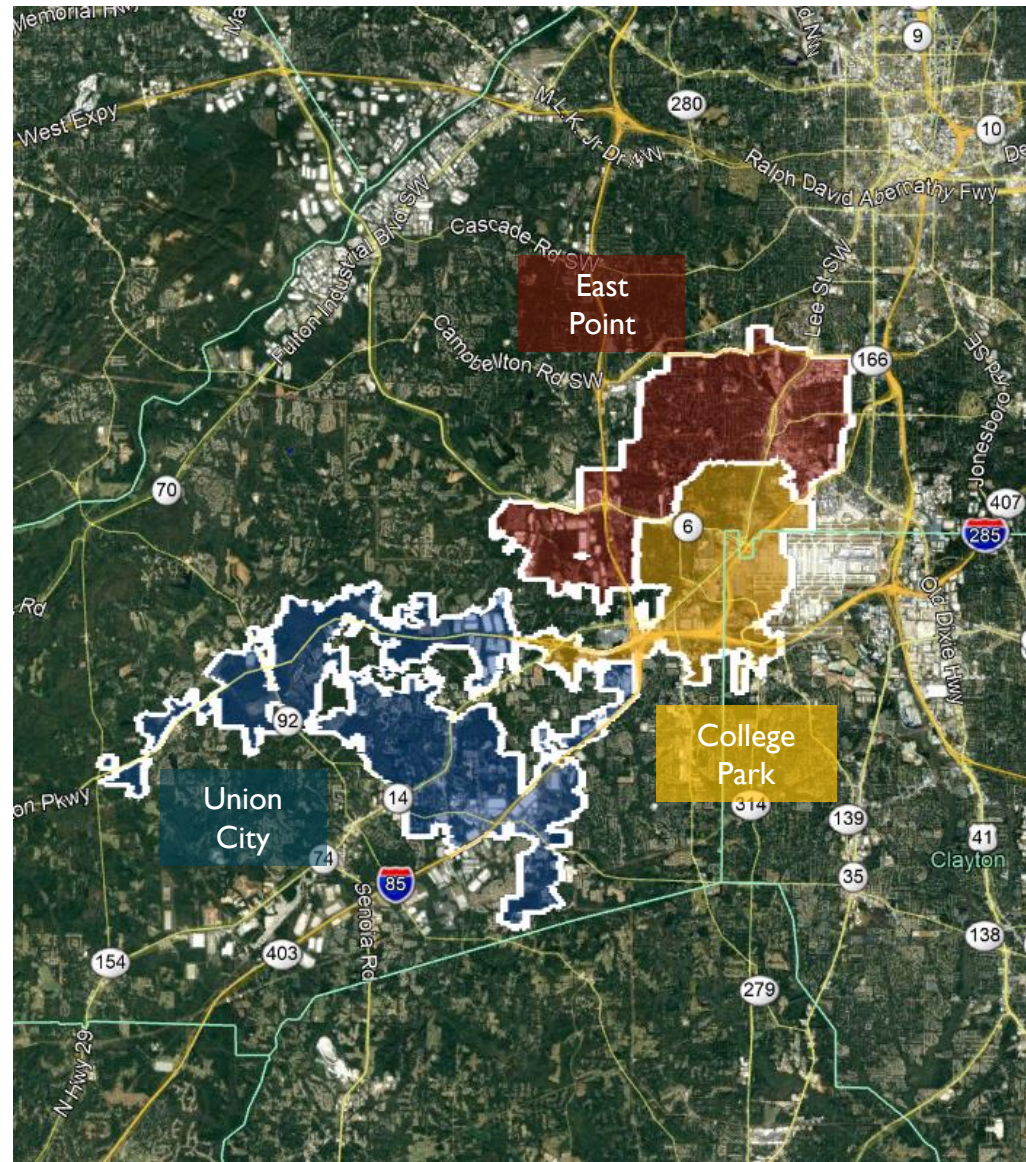
Why? Service Delivery Costs

With walkable premiums, potentially as much as **\$788,000 annually**



Near West Air Cities

East Point
College Park
Union City



This analysis, focused on the three “near west” municipalities, is intended to provide a “sample set” of data, for illustrative purposes, to analyze the fiscal/economic trends of the various land uses in the Aerotropolis area.

Fiscal (tax) data includes only portions in Fulton Co.



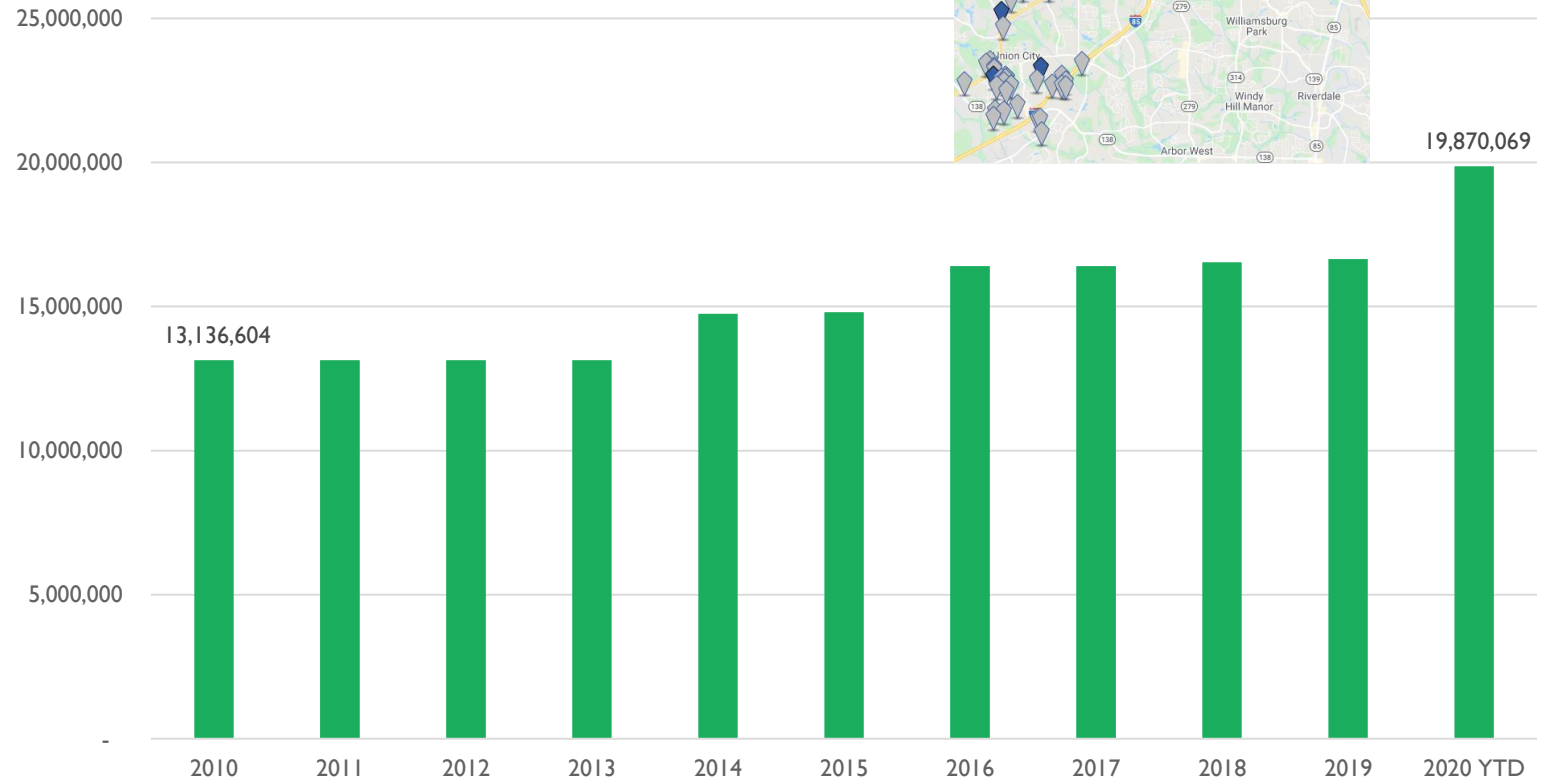
KB | ADVISORY GROUP
2001-2021 *20th Anniversary*



Combined Near West Air Cities

Industrial / Flex
Total Square Feet

2010 – 2020
Growth: 51%
(5.1% Avg. Annual)



Based on data from CoStar



KB | ADVISORY GROUP
2001-2021 *20th Anniversary*

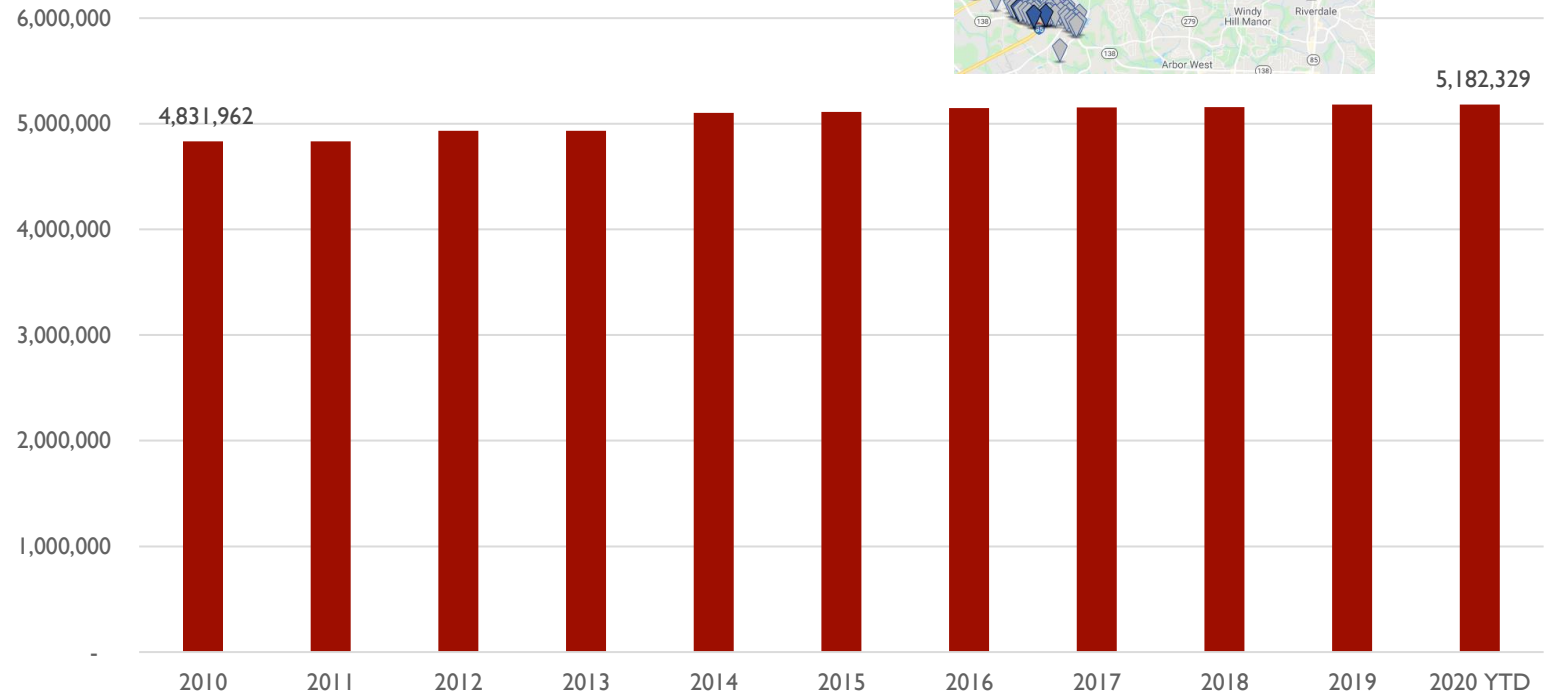
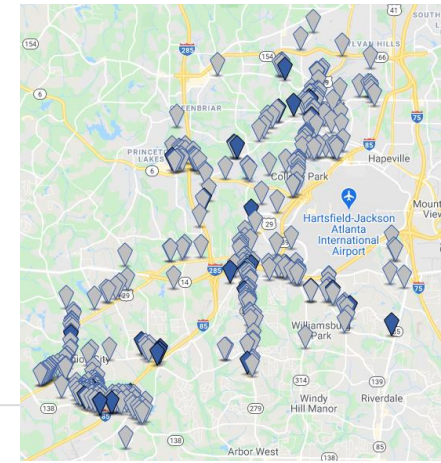


Combined Near West Air Cities

Retail
Total Square Feet

2010 – 2020

Growth: 7.3%
(.7% Avg. Annual)



Based on data from CoStar



KB | ADVISORY GROUP
2001-2021 *20th Anniversary*

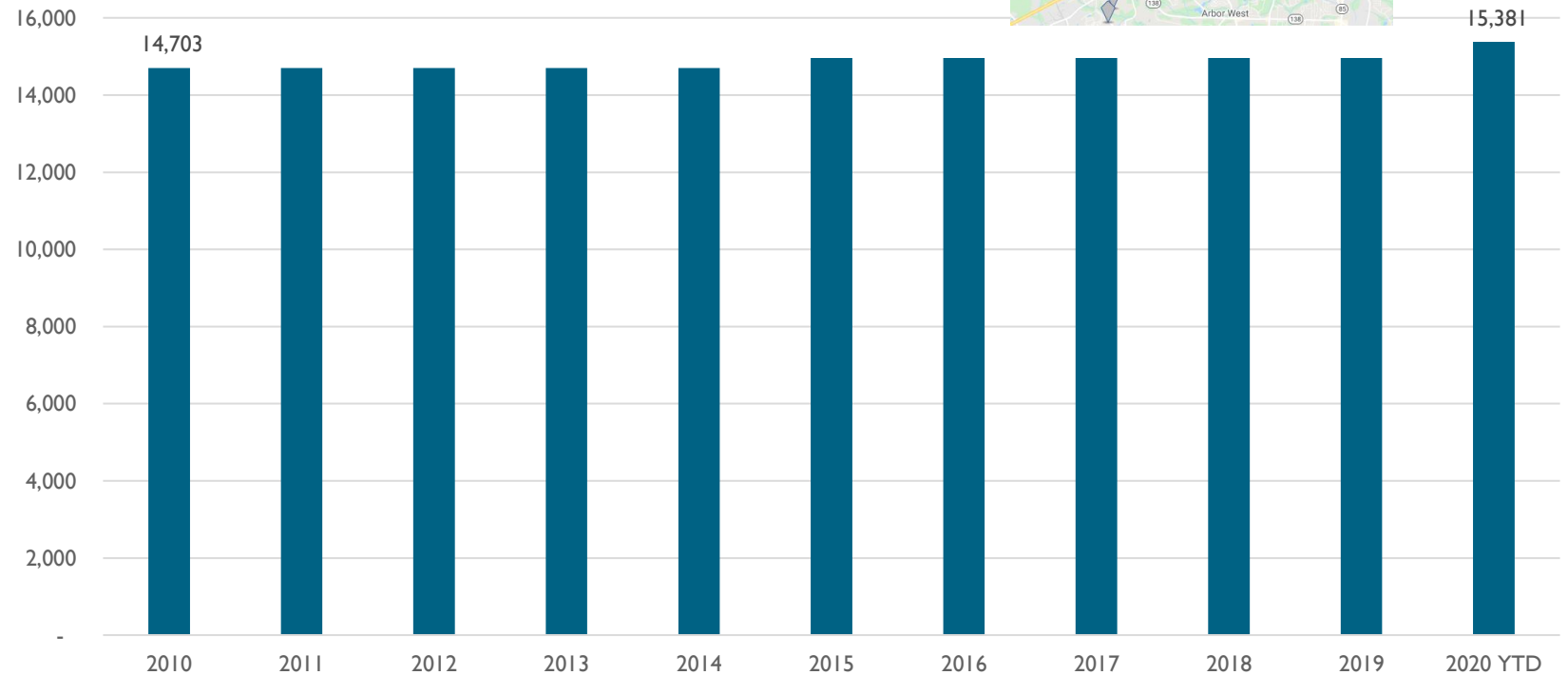
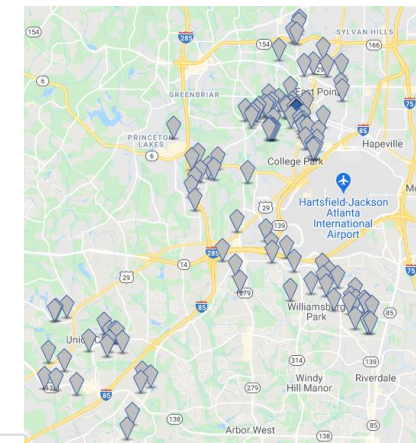


Combined Near West Air Cities

Multi-family Total Units

2010 – 2020

Growth: 4.6%
(.5% Avg. Annual)



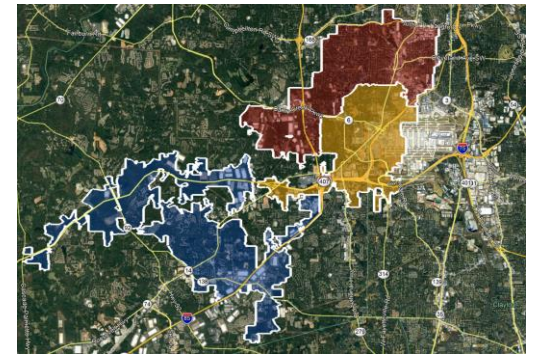
Based on data from CoStar



KB | ADVISORY GROUP
2001-2021 *20th Anniversary*



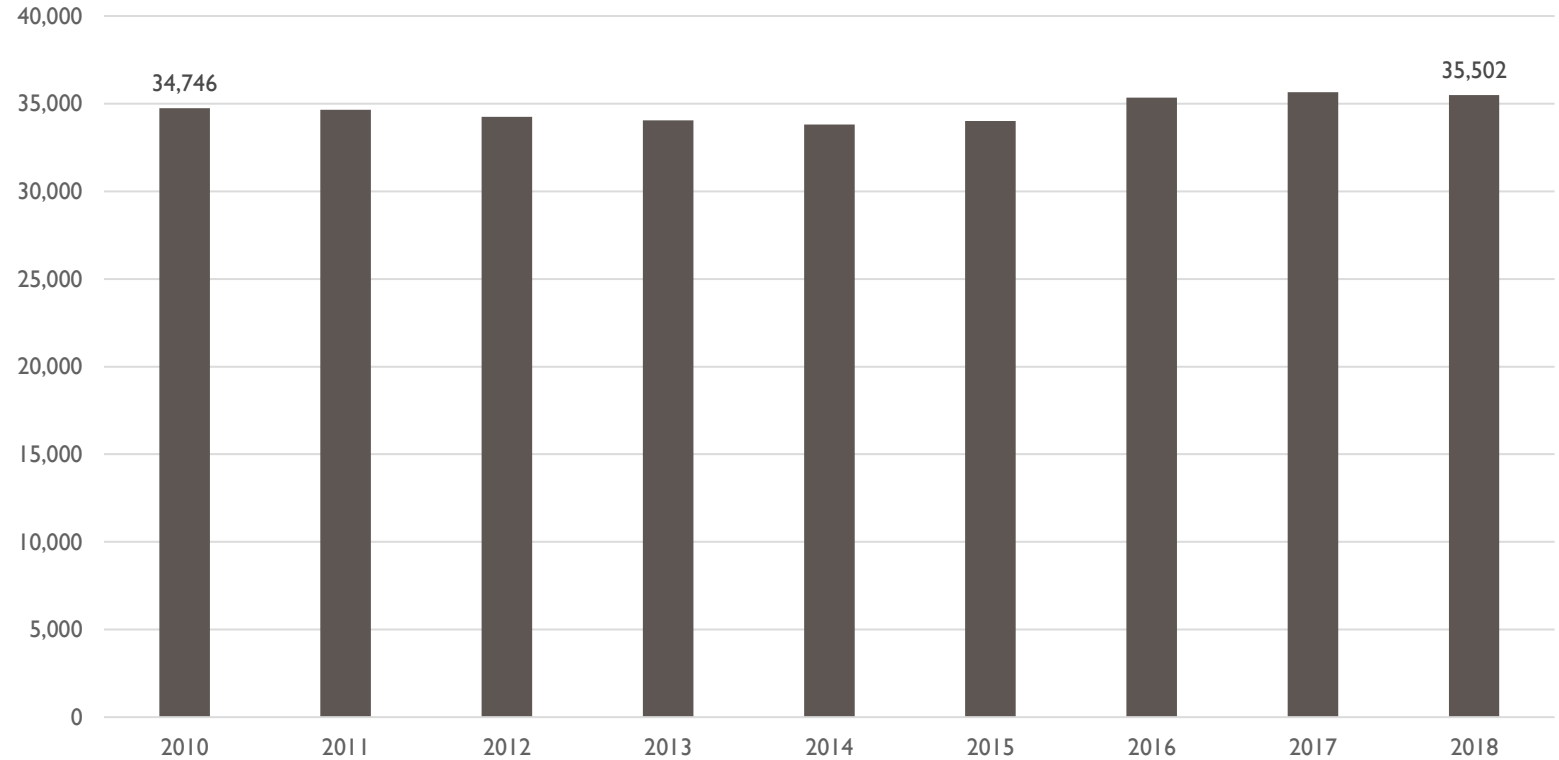
Combined Near West Air Cities



Total Housing Units

2010 – 2018

Growth: 2.2%
(.3% Avg. Annual)



Based on data from US Census ACS 5-Year Estimates



KB | ADVISORY GROUP
2001-2021 *20th Anniversary*



Combined Near West Air Cities

Land Use Growth Comparison 2010-2020

Industrial

Growth:

51%

(5.1% Avg. Annual)

Retail

Growth:

7.3%

(.7% Avg. Annual)

Multi-family

Growth:

4.6%

(.5% Avg. Annual)

All Housing

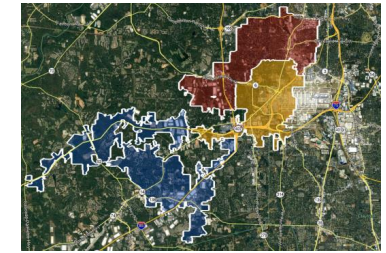
Growth (2010-2018):

2.2%

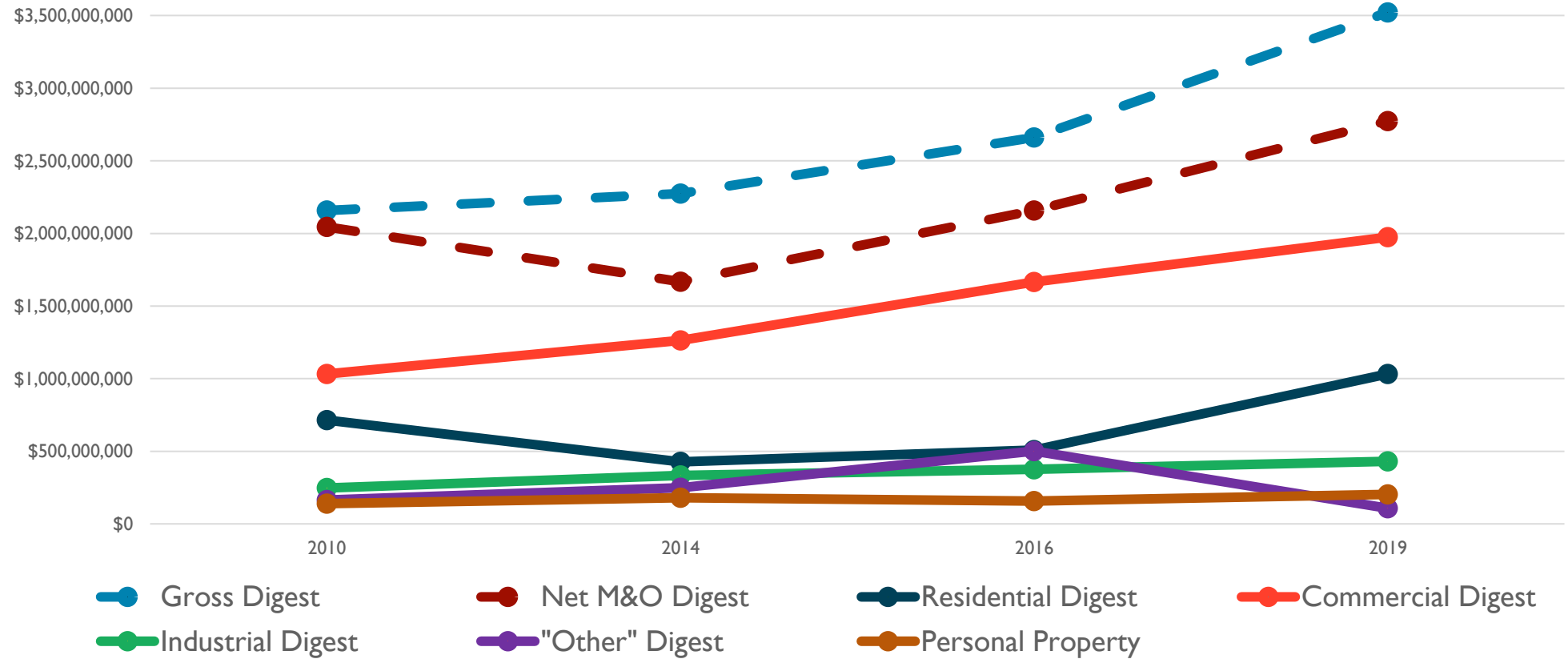
(.3% Avg. Annual)



Combined Near West Air Cities



Tax Digest



Based on data from Georgia Dept. of Revenue Tax Digest Consolidated Summary

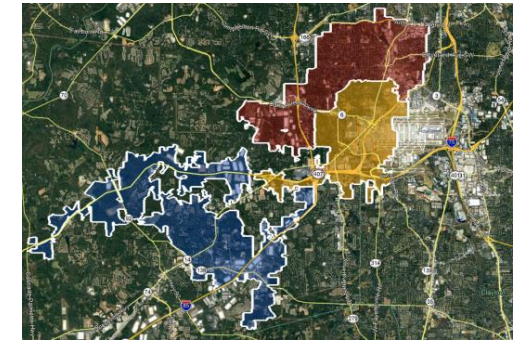


KB | ADVISORY GROUP
2001-2021 20th Anniversary

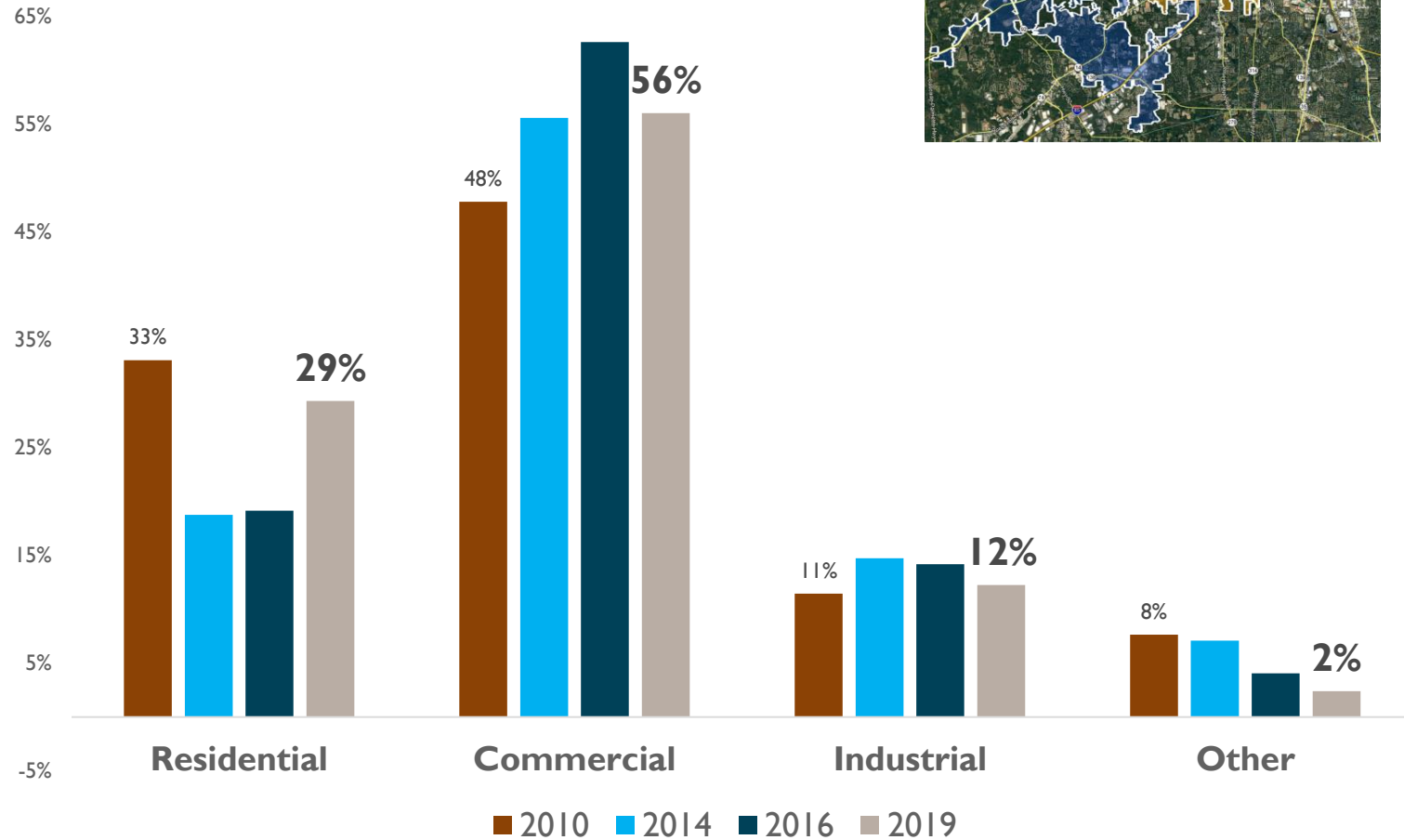


Combined Near West Air Cities

Land Use as a %
of Gross Digest
2019



| | Near West Air Cities | Fulton | Clayton |
|-------------|----------------------|--------|---------|
| Residential | 29% | 54% | 43% |
| Commercial | 56% | 41% | 35% |
| Industrial | 12% | 3% | 9% |
| "Other" | 2% | 3% | 12% |



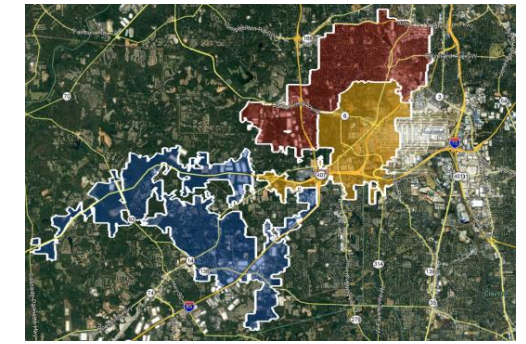
Based on data from Georgia Dept. of Revenue Tax Digest Consolidated Summary



KB | ADVISORY GROUP
2001-2021 20th Anniversary

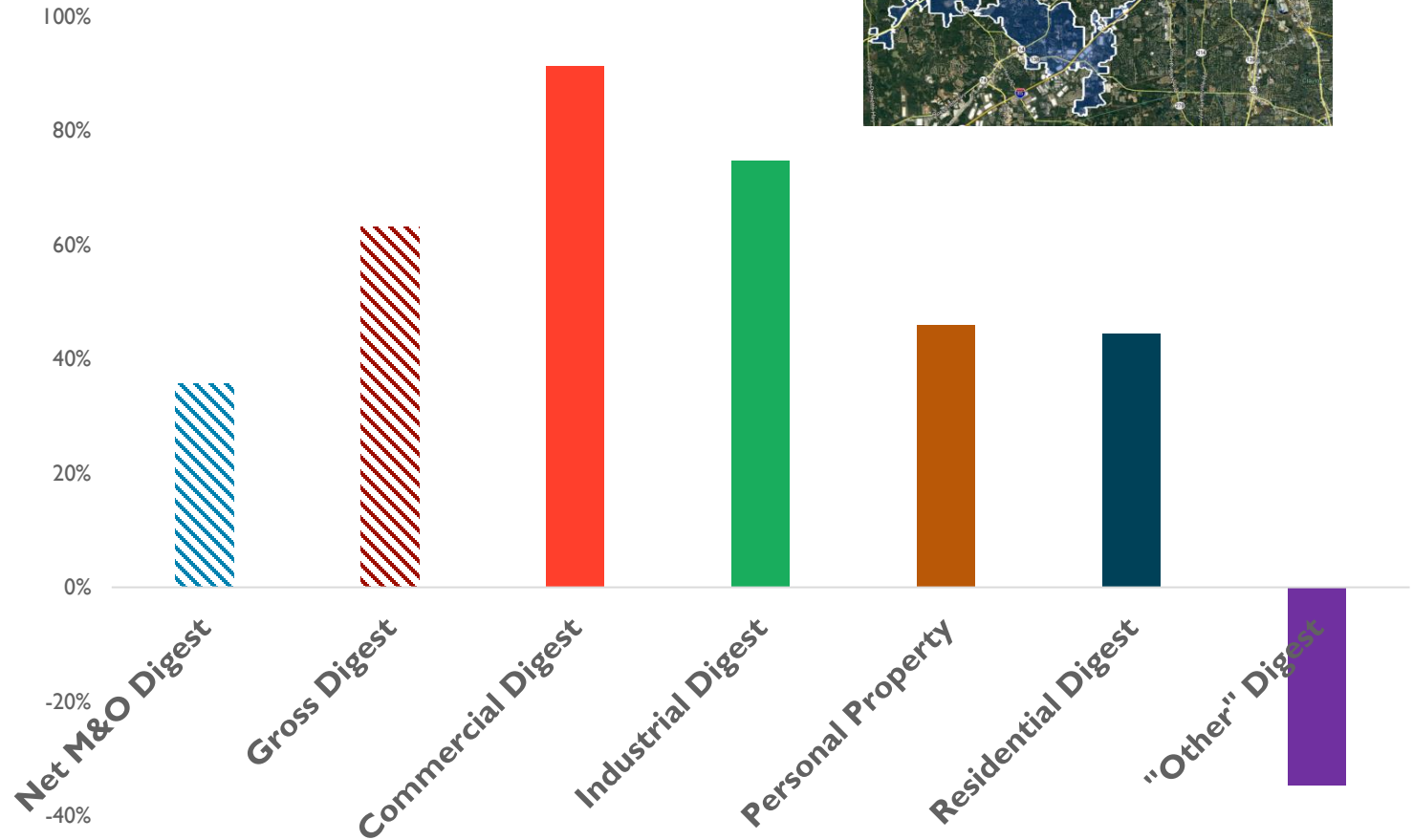


Combined Near West Air Cities



Tax Digest Growth 2010-2019

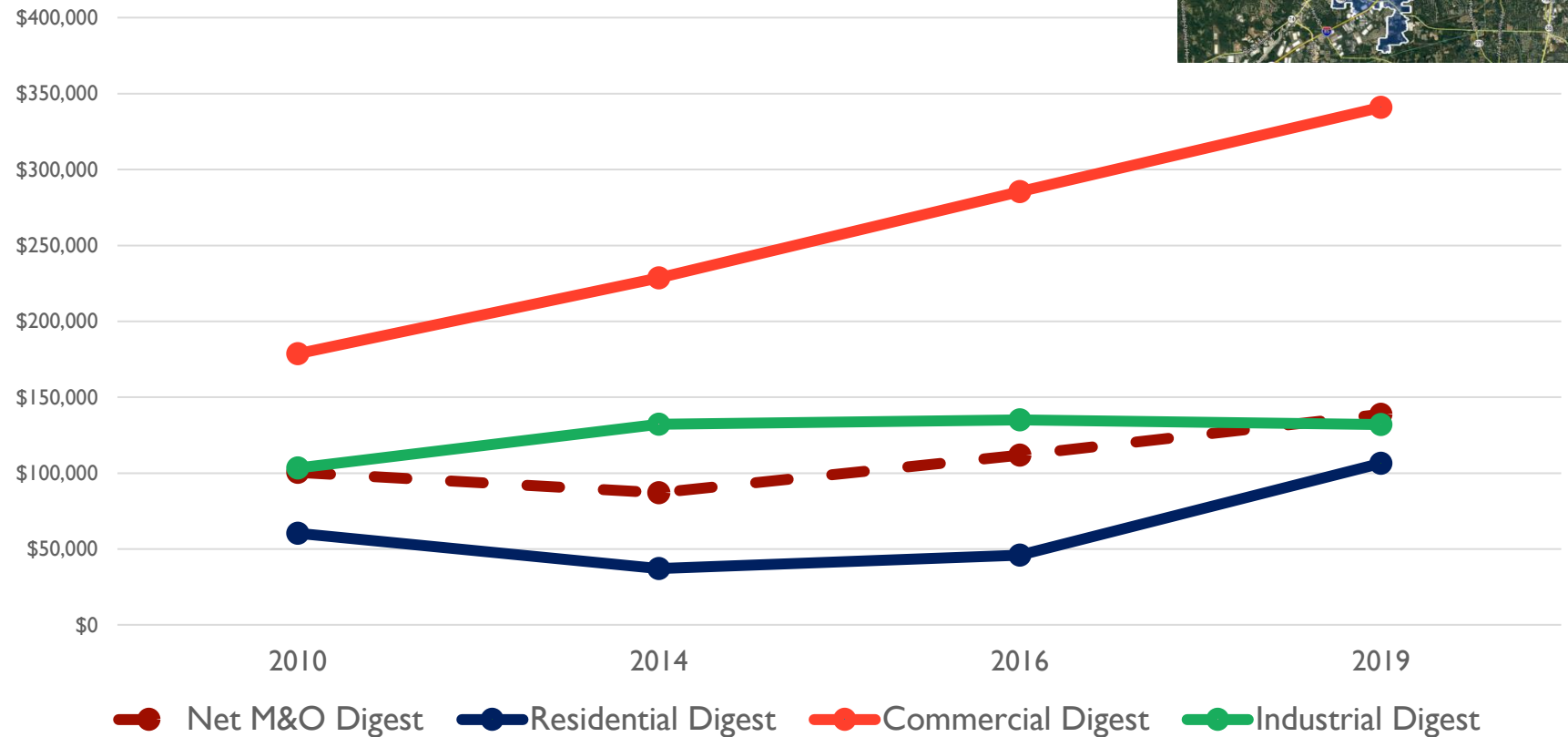
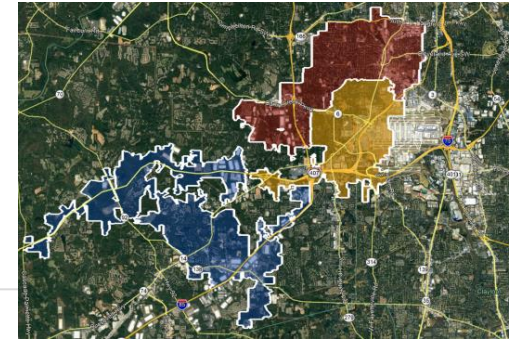
| | Growth |
|---------------------------|-------------|
| <i>Net M&O Digest</i> | 36% |
| <i>Gross Digest</i> | 63% |
| Commercial Digest | 91% |
| Industrial Digest | 75% |
| Personal Property | 46% |
| Residential Digest | 44% |
| "Other" Digest | -35% |



Based on data from Georgia Dept. of Revenue Tax Digest Consolidated Summary

Combined Near West Air Cities

Real Property Value/Acre



Based on data from Georgia Dept. of Revenue Tax Digest Consolidated Summary



KB | ADVISORY GROUP
2001-2021 20th Anniversary



Fiscal Outcomes of Various Real Estate Types

Conclusions/Implications

- Many cities struggle to relieve the tax burden on homeowners by increasing their commercial tax base, however, the Combined Near West Air Cities are already mostly reliant upon non-residential uses.
- Due to market fluctuations, a diverse, balanced tax base is typically desired. Because non-residential values can be most volatile, an enhanced residential base is likely a desirable path.
- To increase value/acre fiscal performance efficiency, pursue higher density mixed land use at strategic nodes.





Atlanta Regional Commission

Fiscal Outcomes of Various Real Estate Types:

Aerotropolis



Presented for:

ARC Community Resources Committee

February 10, 2021

Presented by:

Geoff Koski

President



Now d/b/a



KB | ADVISORY GROUP