

CONSOLIDATED GOVERNMENT
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PLANNING DEPARTMENT

November 24, 2020

Honorable Mayor and Councilors
City Manager
City Attorney
Clerk of Council

Subject: Tax Allocation District Redevelopment Plan (TADRP)

Applicant: R & R Capital Investments LLC / Neighborworks Columbus

Request to establish a TADRP in southwest Columbus, also known as the Tax Allocation District #8: South Columbus River District.

This redevelopment plan (the Plan) presents the rationale, boundaries, fiscal data and proposed projects which could result from the formation of the Columbus, Georgia Consolidated Government, Tax Allocation District #8: South Columbus Redevelopment District. This redevelopment plan was prepared in conformance with the provisions of Georgia Redevelopment Powers Law (O.C.G.A. Title 36 Chapter 44) which governs the creation of the Tax Allocation Districts (TADs) in the state. The plan was prepared by Bleakly Advisory Group, Inc. (BAG) on behalf of the prospective developers of the project, R & R Capital Investments LLC and Neighborworks Columbus.

(1) Are boundaries fully established?

Yes. The proposed boundaries for the Redevelopment Area and TAD #8 includes six properties covering roughly 212 acres within individual tax parcels.

This distribution shows that more than 212 acres within the proposed area are in six main parcels, the first four are the future site of the proposed River District Resort and the remaining two for proposed Elliott's Walk. The redevelopment area also includes the right of way along the Riverwalk.

(2) Does the applicant provide proof that the proposed TADRP require redevelopment assistance?

According to the proposed redevelopment area plan, this area meets the statutory definition of a Redevelopment Area under the specific provisions of the

Redevelopment Powers Law. The redevelopment area meets the intent of the statute. These relevant sections are shown as follows:

- A (ii) – The presence of vacant land and inadequate street layout in relation to the size, accessibility, and usefulness;
- A (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 (v) – An area where housing is appropriate after redevelopment and where there exists a shortage of safe, decent housing that is not substandard and that is affordable to persons of low and moderate-income;
- B (vi) – Deteriorating or inadequate utility, transportation, or transit infrastructure.
- C (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;
- C (ii) – Deteriorating or inadequate utility infrastructure either at present or following redevelopment;

Justification for the relevant sections can be found on pages 27 through 29 in the Plan.

(3) Does the applicant describe any redevelopment projects, cost estimates, and financing methods?

Yes. The property can support the development of over 400,000 SF of retail uses and outdoor venues, plus a hotel and convention center. In addition, a total of 430 housing units are planned for this mixed-use development. At build-out, an estimated 900 permanent employees will be working at the South Columbus River District in the commercial and housing components of the development.

South Columbus River District Development Plan	
Development Components	Square Feet
River District Resort	
Retail	
Retail / Commercial Space	240,000
Hotel (250 room)	150,000
Convention & Meeting	30,000
Pre-Function	10,000
Entertainment & Activity Centers	
Marina	10,000
Entertainment venues	85,000
Restaurant(s)	12,000
River Balcony	10,000
Rowing Facility	14,000
Amphitheater	20,000
Miniature Golf	20,000
Subtotal River District Resort Retail / Entertainment	601,000
Housing	
Multifamily	300,000
Single-family homes	<u>165,000</u>
Subtotal River District Resort Housing	465,000
Subtotal River District Resort	1,066,000
Elliott's Walk	
Housing	
Single-Family Homes	49,500
Townhomes	100,500
Subtotal Elliott's Walk	150,000
Total SF Development	1,216,000

Source: ZWR + Partners, Moon Meeks and Associates, Inc.

The table above summarizes the proposed development program for the South Columbus River District, showing the distribution of proposed retail and residential development by land use (the locations of these development components are shown on the conceptual site plans above.) It is anticipated that the project would require approximately 10 to 15 years to reach build-out and the proposed density and distribution of land uses are subject to change as market conditions evolve.

Public access to the South Columbus River District will be made chiefly from new infrastructure from Victory Drive on the northernmost end of the TAD #8 property. New roadways will be required, and the addition of a bridge over Bull Creek to provide access to the new development area.

This report does not attempt to forecast potential future development in the area around the TAD, beyond the South Columbus River District. However, it can be reasonably assumed that if the commercial mixed-use development is successful, additional development could be attracted to areas around TAD #8, which, since they are not included in the TAD, would immediately generate additional property tax and sales tax revenue to CCG and Muscogee County Schools. This phenomenon, known as the “halo effect,” has occurred in many other TAD districts around the State of Georgia.

It is anticipated that the primary method of financing development of the South Columbus River District will be through private equity and debt, with the Elliott’s Walk development also utilizing tax credits to help fund this affordable housing project. TAD proceeds would be used to supplement private financing and reduce overall development costs to make this project financially feasible. TAD proceeds would be applied to address off-site development costs or reduce the cost of constructing access roads and internal infrastructure. In addition, a portion of TAD funds will be used for flood remediation and site preparation costs. Forecasts of potential TAD proceeds and proposed uses of those proceeds are addressed in detail later in this report.

The overall concept is based on the state of Georgia passing legislation allowing casinos.

(4) Are contracts, agreements, or other instruments which are proposed to be entered into by the CCG (for the purpose of implementing the plan) outlined?

Yes. Pursuant to O.C.G.A. §34-44-3(a), the Columbus City Council will act as the redevelopment agent and will exercise redevelopment powers as needed to implement this plan. In doing so, the Council, either directly or through its designee, may conduct or delegate the activities and enter into the contracts as shown on page 35 of the TADRP.

(5) Does the applicant describe the types of relocation payments needed (if necessary)?

Yes. The site for the development of the South Columbus River District is largely undeveloped. Therefore, there are no existing residences or businesses which will need to be relocated. However, if at any time in the life of TAD #8, relocation of

any firms or residences is required, relocation expenses may be provided for under all applicable federal, state, and local guidelines.

(6) Does the TADRP conform to the 2028 Comprehensive Plan and all UDO requirements?

The Columbus Consolidated Government designates the redevelopment area's future land use as "Mixed-Use" in the light blue areas and "Single-Family Residential" in the beige areas, consistent with the projects proposed in the TAD #8 Redevelopment Plan.

The proposed Elliott's Walk development is zoned RMF1 (Residential Multi-Family 1), which is appropriate. The River District Resort described property is zoned RMF2 (Residential Multi-Family 2) and may need to be partially rezoned for the proposed uses.

It should be noted that a majority of the property is in a floodplain.

(7) During the implementation of the TADRP, are estimates of redevelopment costs (to be incurred) submitted?

Yes. The law requires that Redevelopment Plans estimate "redevelopment costs to be incurred or made during the course of implementing the plan." The majority of the cost of developing the South Columbus River District will be privately financed. However, the developer is seeking TAD funding assistance to help defray some of the high costs of developing the site, including the terrain of the site and the total lack of major infrastructure, the proximity of the property to an Area of Special Flood Hazard, and associated construction costs. As a result, there are extraordinary costs to prepare the site for development and make the necessary traffic, parking, and circulation improvements and upgrade and extend utility infrastructure to a level that can serve an estimated 1.2 million SF of commercial and residential development. The costs associated with these infrastructure challenges make development financially infeasible without some form of public/private partnership. Thus, the rationale for the creation of TAD #8 is to support development of this essential infrastructure and allow the two major developments to occur in TAD #8.

(8) Has the applicant presented the last known assessed valuation of the redevelopment area and the estimated assessed valuation after redevelopment?

Yes. The redevelopment area for Columbus, Georgia Consolidated Government Tax Allocation District #8– South Columbus River District as defined in this Redevelopment Plan includes six tax parcels and 212.01 acres within those

parcels. The proposed TAD #8 has an estimated 2019 fair market value of \$7,262,380 and a taxable assessed (40% digest) value of \$1,583,308, according to Muscogee County tax assessment records.

Pursuant to the Redevelopment Powers Law, upon adoption of the Redevelopment Plan and the creation of the tax allocation district, the City will request that the Commissioner of Revenue of the State of Georgia certify the tax base for December 31, 2020, 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 and the reinvestment of TAD increments back into the project. Upon build out of the South Columbus River District, this tax allocation district is projected to have a market value of approximately \$129 million and a taxable value of \$51.6 million at the end of an estimated 15-year absorption period. This represents an incremental digest growth of \$50 million over existing conditions or more than a fivefold increase in taxable value.

(9) Has the applicant identified and mitigated historic properties within the redevelopment area?

Yes. The proposed redevelopment area for TAD #8 does not contain any “historic” properties listed locally or on the National Register of Historic Places. In the highly unlikely event that any historic properties are identified within the TAD, they will not be substantially altered in any way inconsistent with technical standards for rehabilitation; or demolished unless feasibility for reuse has been evaluated based on technical standards for the review of historic preservation projects, which technical standards for rehabilitation and review shall be those used by the state historic preservation officer.

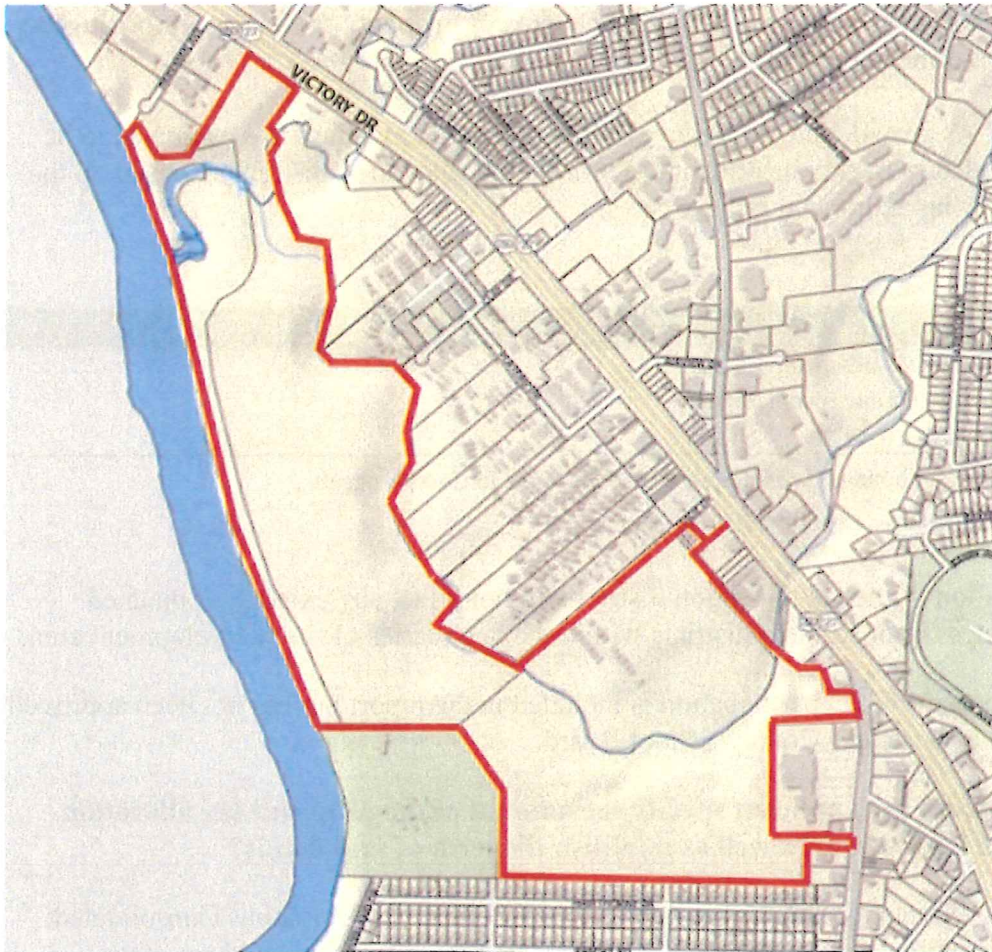
(10) Has the applicant specified the proposed effective date for the creation of the tax allocation district as well as the proposed termination date?

Tax Allocation District #8 will be created effective December 31, 2020. The Redevelopment Powers Law provides that the TAD will be in existence until all redevelopment costs, including debt service, are paid in full. For analysis purposes, this report assumes that the TAD will remain in existence for a maximum of 30 years.

(11) Does the application contain a specific TADRP boundary map as well as establish existing conditions and uses of real property?

Yes. The proposed TAD #8 boundaries are shown on the following map. Existing land use within the proposed TAD #8 is predominantly vacant land. These uses are shown on the following Existing Land Use Map. The boundaries of the TAD

include the totality of the six parcels listed and the right of way along Victory Drive, Leslie Drive, and South Lumpkin Road.



Source: Columbus Consolidated Government Zoning Map

The TAD includes six tax parcels located within the red outlined area plus associated public rights of way. (A complete list of TAD parcels appears in Appendix A). For any section of roadway that is used as a boundary in the TAD map, including but not limited to Victory Drive, Leslie Drive, and South Lumpkin Road, the entire section of ROW is intended to be included inside the TAD boundary to maintain flexibility to use TAD proceeds for public improvements to those rights of way if desired by the redevelopment agency.

The implementation of this redevelopment plan is consistent with the City's existing zoning, future Land Use Map, and previously identified strategies for the area as articulated in the Consolidated Government's Comprehensive Plan. Development of the South Columbus River District will generate increased retail

and commercial activity and will create housing and needed jobs for the South Columbus area.

(12) Does the applicant specify ad valorem property taxes for computing tax allocation increments?

Yes. As provided in the Redevelopment Powers Law, the taxes estimated to be included in the tax increment base for the tax allocation district are based on the following authorized millage rates:

2019 M&O Millage Rates *	
Colulmbus CG Urban Service District 1	17.18
Muscogee County School District	23.321
Total Millage Rate	40.501

* Levies for bonded indebtedness are not included for TAD purposes.

Source: Georgia Department of Revenue

Creation of the tax allocation district will not affect any existing or planned business improvement districts within the boundaries of the redevelopment area.

Proposed MCSD participation is included in the report but has not been approved by the Muscogee County School Board.

(13) Does the applicant specify the amount of the proposed tax allocation bond issue/issues as well as establish the term of said bonds?

Yes. Upon adoption of this Redevelopment Plan, the Columbus Consolidated Government may, at its sole discretion, issue tax allocation bonds or other financing instruments, in one or more issues. Estimated supportable levels of future financing could range from \$10 million to \$40 million depending upon whether the School District consents to participate, terms available at the time of issuance, and the types of financing methods used.

The Columbus Consolidated Government may propose to issue tax allocation bonds or alternative forms of financing for a term no longer than 30 years. Given current market conditions, the calculations made in this report assume a 20-year term.

(14) Does the applicant estimate positive tax allocation increments for the period covered by the term of the proposed tax allocation bonds?

The Columbus Consolidated Government intends to either: (a) seek fixed-rate tax-exempt bonds; (b) obtain comparable forms of commercial financing available;

or, (c) enter into a development agreement to remit specific tax allocation increments to the master developer, to enable the developer to secure commercial financing or make improvements on a Pay-As-You-Go basis. Should financing be sought in the future, the actual rate, terms, and issuance costs would be determined at the time of issuance based upon general market conditions, anticipated development within the TAD, assessed taxable property values, and federal tax law considerations. The Columbus Consolidated Government reserves the right to consider a range of potential financing options, as appropriate.

(15) Does the applicant specify the properties proposed to be pledged for payment or security for payment of tax allocation bonds?

Yes. Bonds or other financial agreements will be secured by the positive tax allocation increment from eligible ad valorem taxes levied on real property for these purposes. Based on current millage rates and commercial property values in Columbus, Georgia, positive tax allocation increments from the development of real estate are estimated at \$2.03 million when build-out is completed. The actual amount of collected tax increments will depend upon the pace at which the Redevelopment Plan is implemented and the impact of the redevelopment activities and other economic factors on the tax base and the TAD as a whole.

(16) School system impact analysis:

(A) Estimated number of net new public school students:

The development plan for the expansion of the South Columbus River District calls for creating 430 housing units, of which approximately 220 will be rental housing. The remainder will be for-sale single-family and townhomes. The following table shows an estimate of the number of residents and school-age children.

TAD Digest as a Percent of Muscogee School District		
Taxing Jurisdiction	Net Taxable M&O Digest	
TAD #8: South Columbus River District		\$1,583,308
Muscogee County School District		\$5,096,400,463
TAD #8 Taxable Digest as a Percent		0.0311%

Source: Georgia Department of Revenue / BAG

As shown above, over the 15-year build-out of the South Columbus River District's development, there will be an estimated 981 new residents in the housing created, representing an average growth of 66 residents per year over the build-out period.

Using demographic multipliers developed by the Center for Urban Policy Research of Rutgers University for the State of Georgia from special detailed runs of U.S. Census data, we have estimated the number of

school-age children by tenure, unit, and bedroom type. As shown above, there will be an estimated 237 school-age children living in TAD #8 by the end of the build-out period. Of these children, we estimate that 209 will go to public schools in Muscogee County, representing an average addition of 14 public school students each year over the period. By the fifth year of development, an estimated 70 public school students will be living in TAD #8. By the tenth year of development, a total of 140 public school students will be living in TAD #8 and will continue at this level throughout the final five years of the build-out period. Since the arrival of these students will happen very gradually over the build-out period, Muscogee County Schools has time to accommodate the growth in either its existing facilities or by adding capacity.

(B) Location of existing/planned school facilities within the TADRP:

There are no Muscogee County School District facilities located inside the TAD #8 boundary. However, there are four nearby schools-- Eddy Middle School, Dorothy Height Elementary, South Columbus Elementary, Key Elementary, Spencer High School, and the 30th Avenue Preschool—all of which would benefit from the improvement of surrounding properties in the proposed TAD. The location of more employers and potential job opportunities for area residents should have a positive impact on area schools.

(C) Estimate of SPLOST to be generated:

The hypothetical development that could occur in the South Columbus River District TAD could have a positive impact on the amount of ESPLOST revenue the school district will receive. Shown below is an estimate of the additional retail sales that will occur in the Midland Commons from the hypothetical development in the TAD. Based on both the net addition of new residential units and the development of additional retail space and new hotel rooms, the MCSD should receive an additional \$542,520 in ESPLOST revenue from the development occurring in the TAD annually.

(17) Has CCG staff validated the digest calculations as well as the percentage of the total digest?

The Tax Assessor and the Finance Director are reviewing the digest calculations.

Council District(s): District 7 (Woodson)

Additional Information:

The applicants are proposing to establish a redevelopment area, not a particular TAD

project. All TAD-financed projects that are proposed within the redevelopment area shall make application and be approved by City Council.

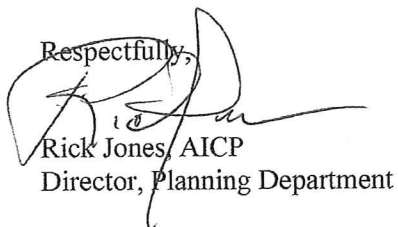
In conclusion, the creation of TAD #8 could leverage \$129 million in new investment over a 15-year period. Future development would increase the current \$1.58 million taxable digest value of the TAD by \$50 million. It would result in approximately \$2.03 million in new real estate and personal property tax receipts when the South Columbus River District is fully built-out. The proposed commercial and residential mixed-use development will create more than 900 new, permanent jobs at the development, once completed.

Approval of this redevelopment area will create TAD #8, which is proposed to make up 0.0031% of the digest. All of the TADs combined (existing and proposed) would make up 3.77% of the current City digest.

Staff Recommendation:

The Planning Department recommends **approval** of the proposed TADRP: South Columbus River District – TAD #8.

Respectfully,



Rick Jones, AICP
Director, Planning Department

Attachments:

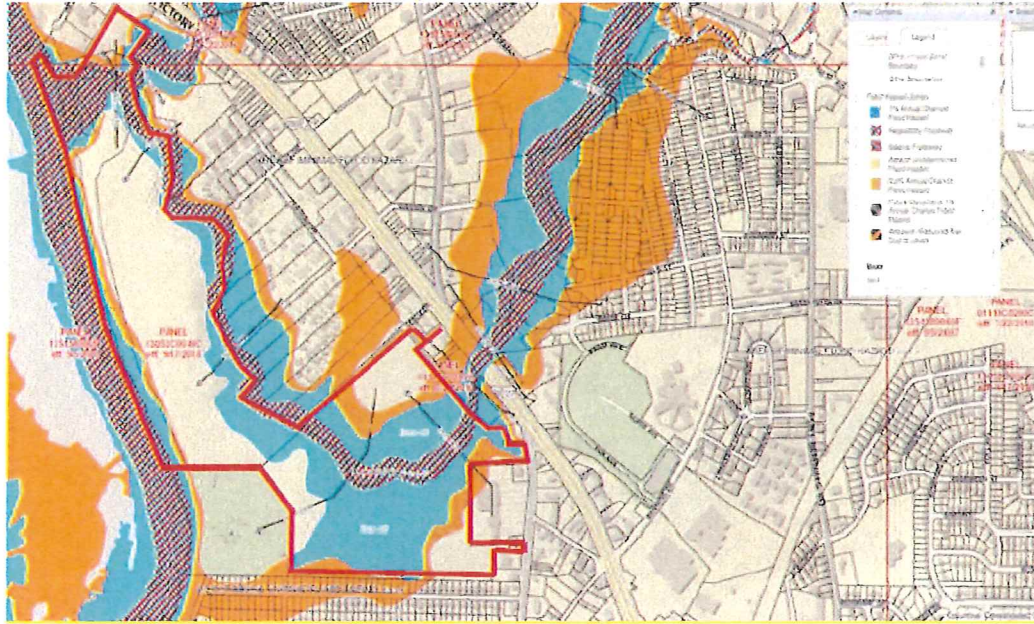
Boundary Map



Source: Columbus Consolidated Government Zoning Map

Flood Map

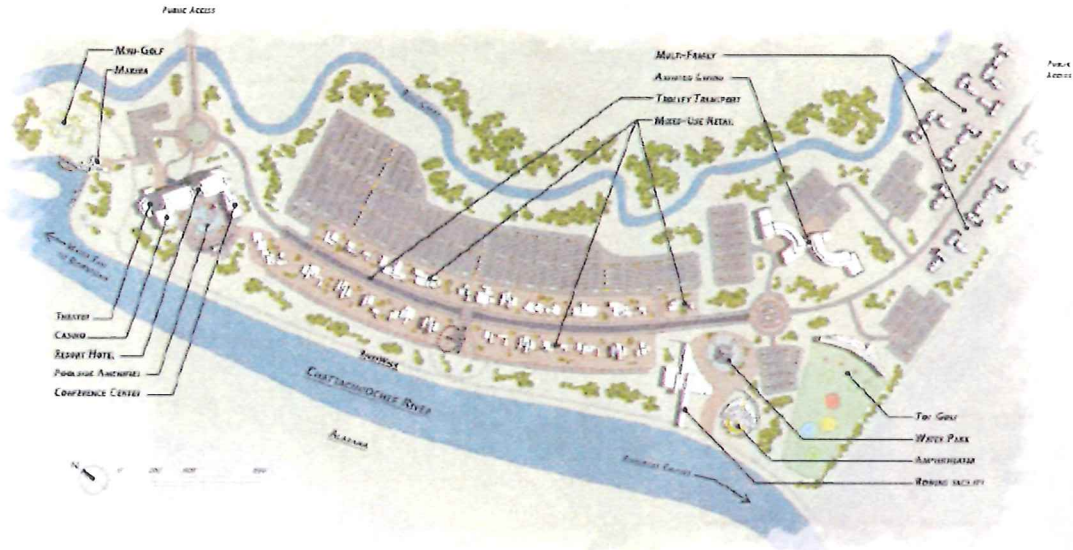
The map below designates the Area of Special Flood Hazard within proposed TAD #8 development.



Source: Columbus Consolidated Government

River District Resort site plan

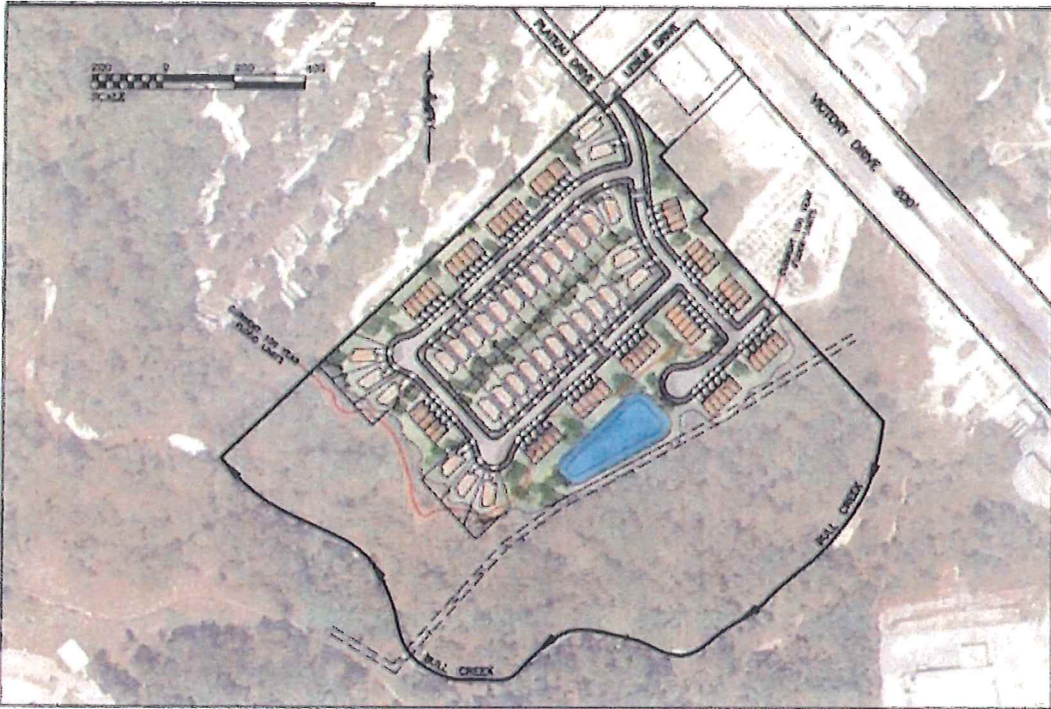
The site plan for the River District Resort is illustrated below.



Source: 2WR + Partners

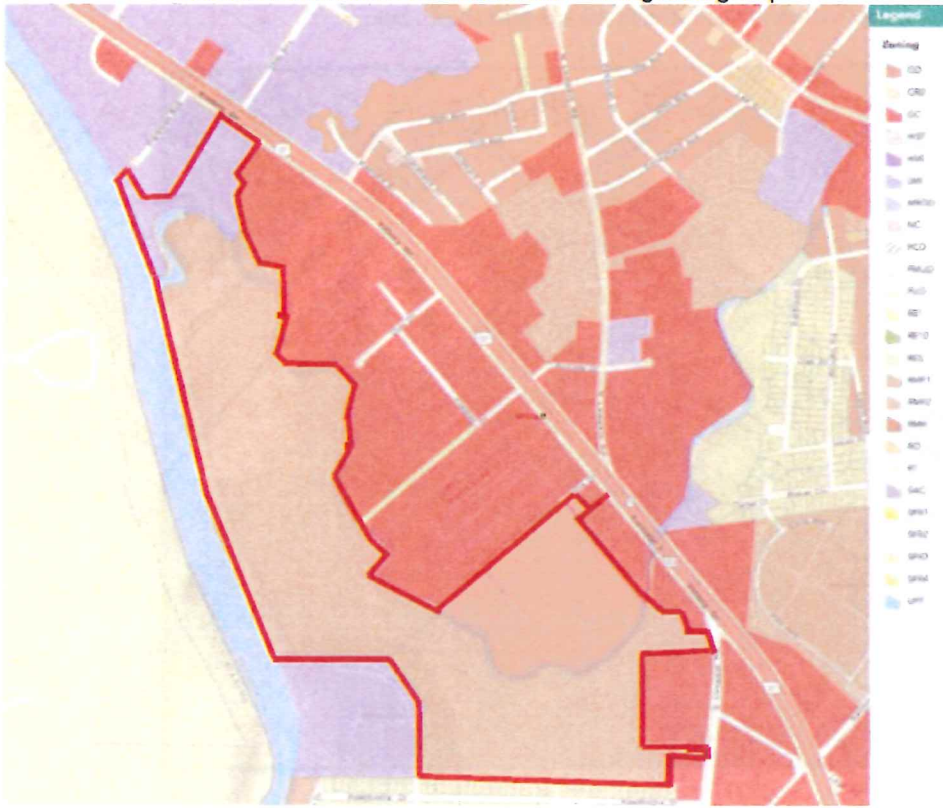
Elliott's Walk site plan

The development proposal for **Elliott's Walk** is illustrated in the site plan shown below.



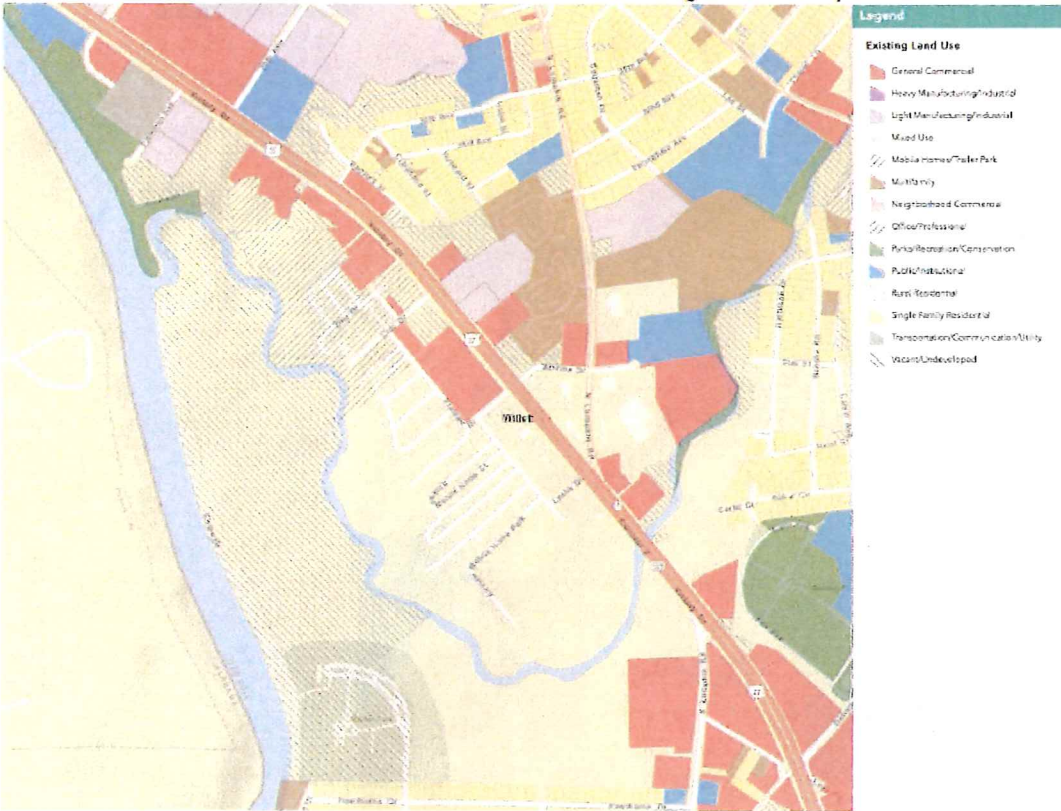
Source: Moon Meeks and Associates, Inc.

Columbus Consolidated Government: Existing Zoning Map



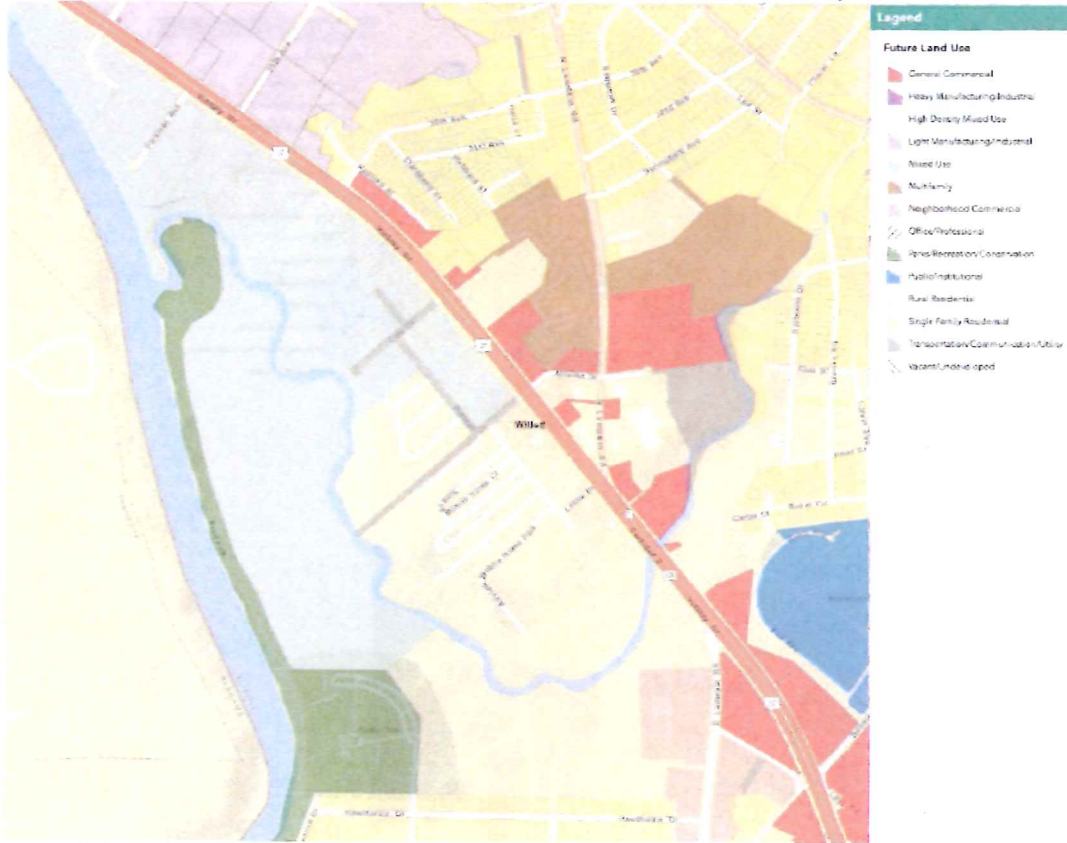
Source: Columbus Consolidated Government

Columbus Consolidated Government: Existing Land Use Map



Source: Columbus Consolidated Government

Columbus Consolidated Government: Future Land Use Map



Source: Columbus Consolidated Government