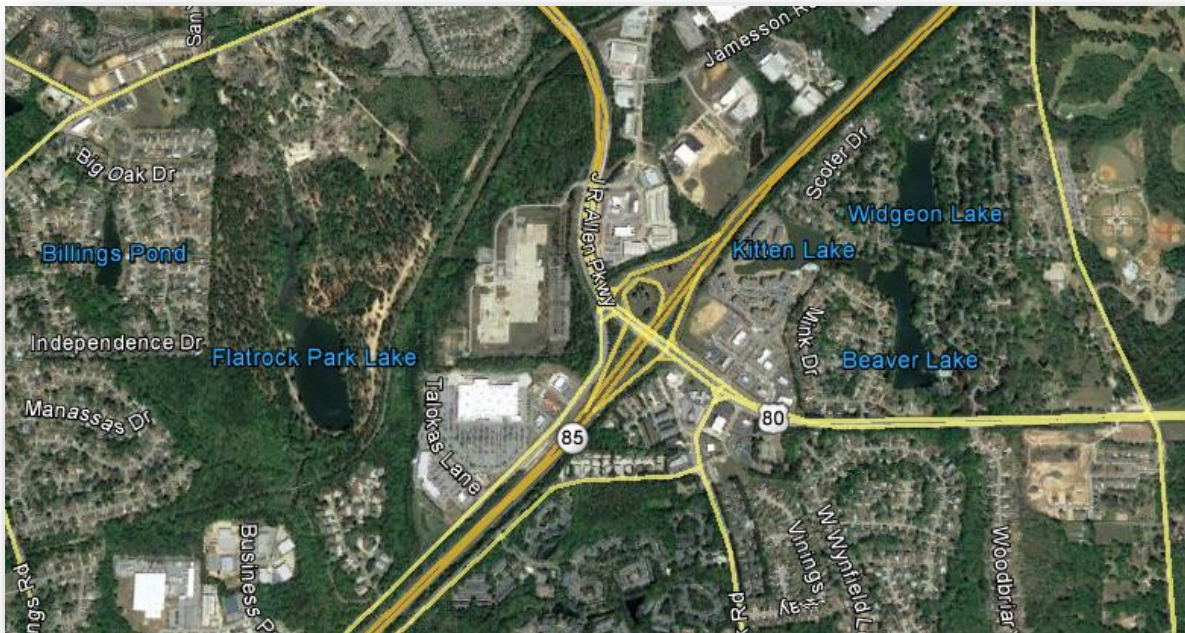


# REDEVELOPMENT PLAN: COLUMBUS, GEORGIA CONSOLIDATED GOVERNMENT TAX ALLOCATION DISTRICT #7: MIDLAND COMMONS



**FEBRUARY 9, 2018**

Prepared for the:  
**Columbus, Georgia Consolidated Government**



Prepared by:



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\* Headings followed by a letter in parenthesis [e.g. (A)] denote information required per Georgia Code Chapter 36, Title 44.

## EXECUTIVE SUMMARY

### OVERVIEW

This redevelopment 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 #7: Midland Commons. 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. This plan was prepared by Bleakly Advisory Group, Inc. (BAG) in cooperation with the Columbus, Georgia Consolidated Government and on behalf of the prospective developer of the project, Flournoy & Calhoun Realtors.

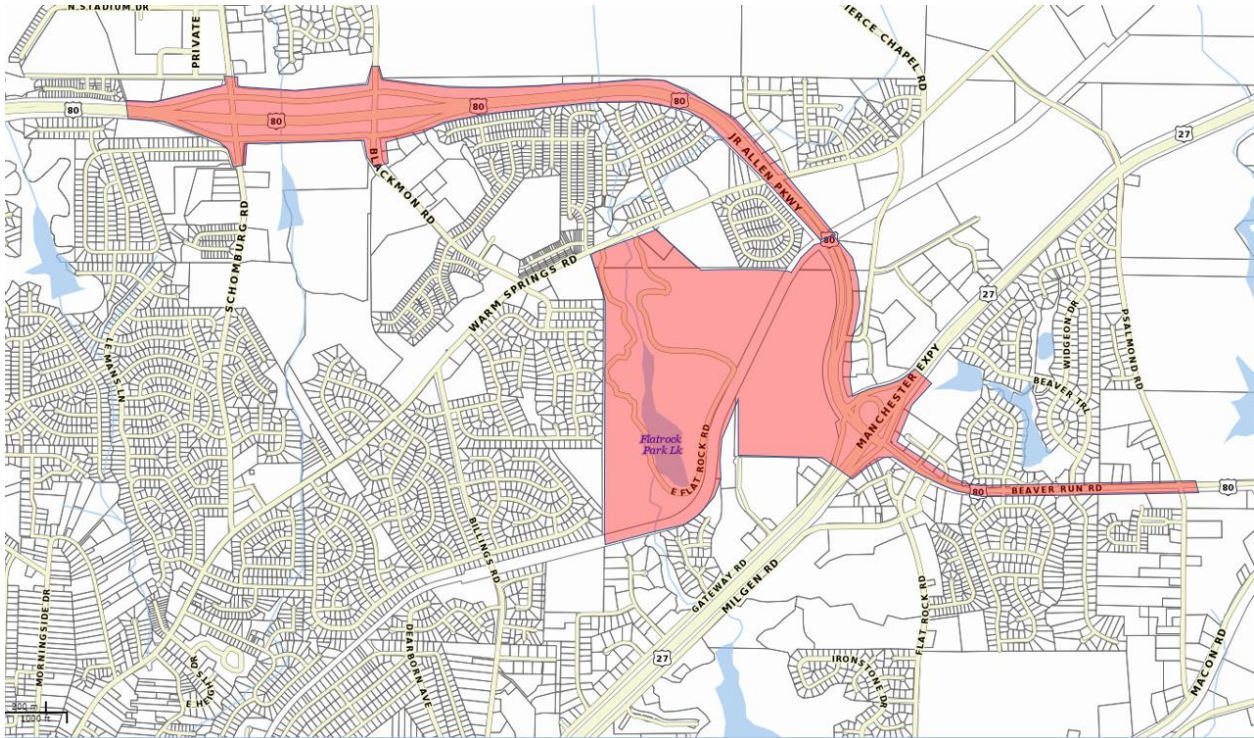
The purpose of the proposed TAD #7 is to support development of the planned Midland Commons mixed use commercial development on the former site of the Swift denim plant and to leverage economic opportunities at the intersection of J.R. Allen Parkway (Highway 80) and Manchester Expressway (Alt 27) in Columbus, GA. The TAD district also includes Flat Rock Park and surrounding greenspace including a future bike trail.

The TAD will enable the developer, Flournoy & Calhoun, to overcome deficient infrastructure, significant on-site demolition and transportation and circulation related costs and other impediments which have made redevelopment of this property economically unfeasible to date. In addition, a portion of TAD funds can be used to make improvements to nearby Flat Rock Park which will improve this public amenity for the residents of North Columbus.

The purpose of this redevelopment plan is to outline a strategy to leverage tax increments from the redevelopment of the former Swift Denim Plant site to both offset the project's high site development costs and make improvements to the commercial areas located immediately to the north of the site and adjacent Flat Rock Park. By leveraging the City's redevelopment powers, the intent of this plan is to achieve a higher quality of development and resulting increased job creation in a much shorter timeline, than would be feasible absent the proposed TAD #7.



### Proposed TAD #7: Midland Commons



The map above presents the proposed outlines of TAD #7 which is shaded in pink. The two principal parcels are the former Swift Denim Plant site and Flat Rock Park. The other portions of the proposed TAD are right of ways along J.R. Allen and the intersection with Manchester Expressway and Beaver Run Road.

#### WHY THE MIDLANDS COMMONS QUALIFIES AS A TAD

The Columbus Consolidated Government has the authority to exercise all redevelopment and other powers authorized or granted municipalities pursuant to the Redevelopment Powers Law (Chapter 44 of Title 36 of the O.C.G.A.), as approved by Columbus voters by referendum on November 4, 2014. To date the Columbus Consolidated Government has approved the formation of six TADs. The redevelopment area, including the Midland Commons site and TAD #7 parcels meet the statutory definition of a Redevelopment Area under four specific provisions of the Redevelopment Powers Law cited above:

- A (v) – The existence of conditions...that substantially impair the sound growth of the community.
- B (iii) – The predominance of structures or buildings of relatively low value, or significantly slower growth in the tax digest than is occurring in the political subdivision as a whole.
- B (iv) – Declining or stagnant rents or sales prices compared to the political subdivision as a whole.
- B (vi) – Deteriorating or inadequate utility, transportation, or transit infrastructure.

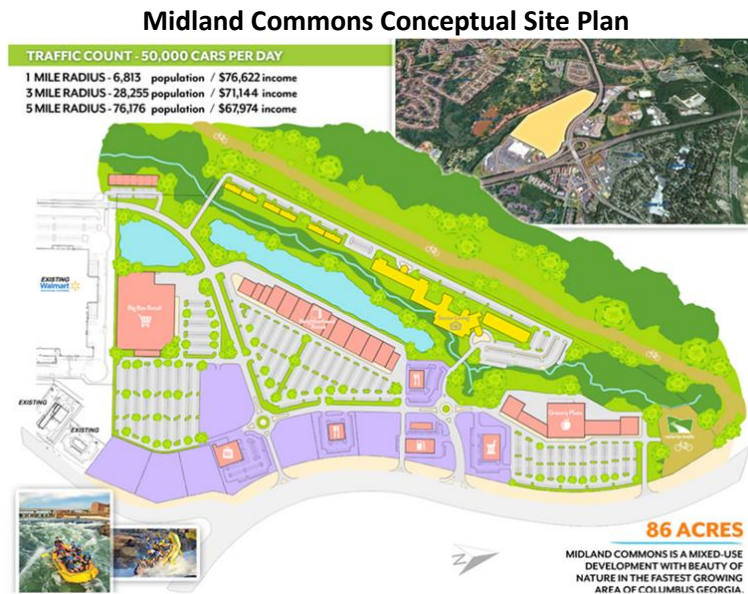
A more detailed justification under each of these provisions appears in the full report. However, in essence, the main justification for creation of the TAD is the need to overcome conditions which have hampered the redevelopment of the former Swift Denim Plant which has been underutilized since the plant closed in 2006 and the facility was demolished in 2011.

### PROPOSED REDEVELOPMENT PROJECTS

The proposed Tax Allocation District #7 is intended to support the development of a vacant, 86-acre parcel located on the western side of J.R. Allen Parkway into a major mixed use commercial development. Coupled with the completion of planned transportation improvements to the area, economic activity generated by the proposed commercial center is expected to create additional residential and commercial development opportunities around the site. Additionally, a senior housing development will be included on the site to accommodate the needs of senior residents in the area.

The primary method of financing development of Midland Commons will be through private equity and debt. TAD proceeds would be used to supplement private financing and reduce overall development costs in order to make this project financially feasible. TAD proceeds would be applied to address on-site development costs, the construction of transportation and access improvements, creation of internal circulation roadways and utilities, and improvements to Flat Rock Park.

The plan for Midland Commons is illustrated in the site plan shown below. The property can support the development of nearly 335,000 SF of retail uses. In addition, a total of 250 senior housing units are planned for the mixed-use development. At build-out, an estimated 750 permanent employees will be working at Midland Commons in the retail and senior housing components of the development.



**Midland Commons Development Plan**

Development Components	Square Feet
<b>Grocery Anchored Retail Center</b>	
Retail Anchor	80,000
Retail Anchor B	30,000
In-Line Retail Space	20,000
Subtotal	130,000
<b>Other Major Retail</b>	
In-Line Retail Space	170,000
<b>Retail Outparcels</b>	
Parcels 1-11	55,000
Total Retail	355,000
<b>Assisted Living</b>	
250 unit complex	215,625
<b>Total SF of Development</b>	<b>570,625</b>

Source: Flournoy & Calhoun Realtors/BAG

**POTENTIAL TAD REVENUES AND BONDING CAPACITY**

The law requires that Redevelopment Plans estimate “redevelopment costs to be incurred or made during the course of implementing the plan.” Estimating potential costs first requires estimating the amount of revenues which may be realistically generated from successful implementation of the plan. Once estimated, available revenues can be assigned to eligible cost items. The vast majority of the cost of developing the proposed Midland Commons will be privately financed and paid for through land sales and profits from building construction. However, existing values for developed commercial sites in the Columbus market are not sufficient to cover “extraordinary” cost items that are necessary to provide prepare the site for development and make the necessary traffic and circulation improvements, as well as to upgrade and extend utility infrastructure to serve an estimated more than 500,000 SF of potential future development at this location.

**TAD POTENTIAL OF TAX ALLOCATION DISTRICT #7: MIDLANDS COMMONS**

The following section estimates potential bond revenues and Pay-As-You-Go financing options from future development projects in TAD #7, assuming that both the Columbus Consolidated Government and the Muscogee County School District pledge their respective M&O millage to the redevelopment effort.

As shown below, the properties in the proposed TAD have a current taxable value of \$3.4 million. The largest parcel of the proposed TAD is Flat Rock Park, which is owned by the CCG and therefore is tax exempt. The development of Midland Commons would result in the growth of \$21 million in new taxable value within TAD #7. Net of the base valuation of \$3.4 million, the incremental growth in the tax base of the TAD #7 at build-out is estimated to be \$19.6 million, more than a fivefold increase in the base value of TAD #7.

Estimated Incremental Property Values TAD #7		
<b>Existing Property Values</b>		
Parcels 4		5
Acreage		289.2
Existing Appraised (Market) Value	\$	8,490,060
Taxable Value	\$	3,396,024
<b>New Property Values from Redevelopment</b>		
<b>Retail</b>		
Retail SF		355,000
Market Value per SF	\$	110
Taxable Value per SF	\$	44
Total Retail Taxable Value	\$	13,490,000
<b>Senior Housing</b>		
Senior Housing Units		250
Market Value per Unit	\$	95,000
Taxable Value per Unit	\$	38,000
Total Senior Housing Taxable Value	\$	9,500,000
<b>Total Taxable Value</b>	<b>\$</b>	<b>22,990,000</b>
Less Existing Taxable Value	\$	3,396,060
<b>New Incremental Taxable Value</b>	<b>\$</b>	<b>19,593,940</b>

By applying the M&O millage rate for CCG and Muscogee County Schools it appears that the increase in property values in TAD #7 will generate approximately \$794,000 in additional property taxes annually. This is the critical property tax increment that will go to the TAD Special Fund, which will then be available for investment back into the TAD for qualified projects.

Tax Allocation District #7: Midland Commons TAD Revenue/Financing		
<b>New Incremental Taxable Value from Development</b>	<b>\$</b>	<b>19,593,940</b>
2016 Millage Rates (M&O only)		
Columbus Consolidated Government		0.017180
Muscogee Schools		<u>0.023321</u>
Total TAD millage rate		0.040501
<b>Estimated Incremental Property Taxes</b>	<b>\$</b>	<b>793,574</b>
<b>TAD Bond Estimate</b>		
Property Taxes for Debt Service	\$	793,574
Debt Coverage Ratio		125%
Bondable Property Taxes	\$	634,859
Interest Rate		6.00%
Bond Term-Years		25
Estimated Bond Amount	\$	8,658,721
Issuance Costs (3%)	\$	259,762
Capitalized Interest (24 months)	\$	1,039,047
Debt Reserve (11%)	\$	952,459
<b>Net Bond Proceeds</b>	<b>\$</b>	<b>6,407,454</b>
<b>TAD Pay As You Go (PAYGO) Amount</b>		
Estimated Incremental Property Taxes	\$	793,574
10 year PAYGO Option Proceeds	\$	7,935,742
15 year PAYGO Option Proceeds	\$	11,903,612

Source: BAG, Muscogee County Tax Assessor



BAG estimated the amount of proceeds this revenue stream could leverage using the following financing assumptions:

- **Tax Exempt Bond**--The first bond is assumed to be issued in 2018 or 2019, in order to provide funding which may be needed to support site preparation, road and infrastructure extensions and internal circulation. This bond is assumed to have a 25-year term, a 1.25 debt coverage ratio, and a 6.00% interest rate. Calculations assume that the first two years of interest payments and a one-year debt service reserve would be capitalized into the bond. We have also assumed a 3.0% issuance cost to cover any loan fees and potential reimbursements the City may wish to recover. Under this financing approach the total bond amount financed would be approximately \$8.7 million and the net proceeds available to invest in the development would be approximately \$6.4 million.
- **PAY-GO Financing**—Under this second approach it is assumed that a qualified project would receive the amount of incremental property taxes, estimated to be \$794,000 at build-out from the TAD Special Fund after project property taxes have been paid on an annual basis for either a term of ten years or fifteen years. Over a ten-year period, this would result in total payments of \$7.9 million and over fifteen years \$11.9 million from the PAY-GO approach. The developer would have the option to either finance these future payments with their debt and equity lenders or self-finance the future stream of payments.

Utilizing alternative terms, interest rates and debt coverage ratios would also produce differing estimates of bonding potential. The following estimates are intended to be representative and conservative. Any number of realistic alternative scenarios could also be modeled and could easily produce results which vary by a factor of 25% or more depending on future market conditions or whether the City provided a credit enhancement to secure a lower interest rate.

#### REDEVELOPMENT COSTS - PROPOSED USES OF TAD PROCEEDS

Priorities for the use of TAD proceeds would evolve as project planning proceeds, more detailed site development budgets are prepared and actual costs become better known. The intent is to employ TAD proceeds as available and necessary to make site development financially feasible and to attract the types of end-users that would positively impact the redevelopment area and the regional economy. Uses of TAD proceeds may include (a) supporting site development (including access roads, site preparation, demolition of the remaining slab, utility improvements, etc. (b) access enhancements and signalization at the main entrances to the property, and (c) funding certain improvements to Flat Rock Park. Four specific uses for TAD proceeds are described below.

1. **Traffic enhancements and intersection improvements:** Given the substantial volume of traffic on J.R. Allen Parkway, access to Midland Commons will need to be improved, through creation of multiple entrances, a deceleration lane, and enhanced signalization. While some of these costs can be absorbed by the project, this site has unique access challenges and improvements which need to be made to assure its impact on J.R. Allen is minimized.





2. **Internal Circulation:** With the active uses planned on site and over 355,000 SF of retail space the creation of an internal street network to handle traffic that allows ready access to all parts of the mixed-use development is essential.
3. **Site Demolition and Development Costs:** the massive slab of the former textile plant remains on site and has to be removed to allow for redevelopment. This will be a major, extraordinary cost of redevelopment and has likely been a major cost which has made redevelopment infeasible in the past. In addition, given its past manufacturing use, the site lacks sufficient water, sanitary sewer, specialty infrastructure that the planned uses may require.
4. **Park Enhancements:** The City has requested that Flat Rock Park be included in the boundaries of TAD #7 and would like to finance some modest improvements to the park from potential TAD proceeds. We have included these costs in the TAD estimate.

A representative funding allocation for the potential TAD Funds is itemized below. The estimated \$7.5 million in TAD proceeds could be used in numerous combinations as specific needs arise. The table contains a representative distribution of fund uses among eligible categories of redevelopment costs. In reality, TAD proceeds will be allocated to specific purposes as development opportunities arise and specific agreements are negotiated between the Master Developer and the City and with prospective end users.

Proposed Uses of TAD #1 Proceeds		
Potential Uses of TAD #7 Proceeds		
Potential Expenditure	Estimated Allocation	Total Funds
1. Traffic enhancements/intersection improvements	40%	\$ 3,000,000
2. Internal circulation	20%	\$ 1,500,000
3. Site demolition/preparation	32%	\$ 2,400,000
4. Park enhancements	8%	\$ 600,000
<b>Total TAD Funding</b>	<b>100%</b>	<b>\$ 7,500,000</b>

### SCHOOL DISTRICT IMPACTS

As demonstrated in the preceding analysis, the economic impacts to Muscogee County Public Schools from participating in TAD #7: Midland Commons are as follows:

1. TAD #7 redevelopment area will affect the future appreciation on 0.075% (seven one hundredths of one percent) of the School District’s tax digest. The current amount of property taxes generated from within the TAD, approximately \$79,000, will continue to go to the school system—only taxes associated with incremental real estate digest growth above the current base amount are pledged to the TAD.
2. The TAD #7 redevelopment area will not directly add any school children and therefore impose service costs to the School District.
3. There are no Muscogee County School District facilities located inside the TAD boundary. However, nearby schools in the larger nearby redevelopment area would benefit from the improvement of surrounding properties.

4. By 2022, proposed redevelopment in TAD #7 should generate roughly \$718,000 per year in School District revenues in base real estate taxes, personal property taxes and ESPLOST, representing a near 9-fold increase over current revenues of \$79,000 per year.

Thus, we conclude that the potential gains to the Muscogee County Schools from participating in TAD #7 will be substantially net positive from a financial perspective due to the future growth in its tax digest and ESPLOST revenues, with no resulting impacts on the demand for school services.

### BENEFITS OF TAD #7: MIDLAND COMMONS (S)

In conclusion, the creation of TAD #7: Midland Commons could leverage \$65 million in new investment over a five-year period. Future development would increase the current \$3.4 million taxable digest value of the TAD by an additional \$19.6 million. This would result in approximately \$1.1 million in new annual property tax receipts from real estate and personal property tax receipts when Midland Commons is fully built out. The proposed commercial mixed-use development and senior housing will create more than 735 new jobs with an annual payroll of \$18.6 million.

#### Summary of TAD Benefits at Build Out

Summary TAD #7: Midland Commons Benefits at Build-out	
Value of private investment in Midland Commons	\$65,400,000
Additional Ad Valorem tax digest	\$ 19,593,940
Additional Personal Property tax digest	\$ 6,857,879
Estimated real estate tax increments	\$ 1,072,621
Estimated sales tax benefits	\$ 1,917,000
Estimated New jobs created	735
Estimated new payroll created	\$ 18,649,280

The following redevelopment plan for TAD #7 explains the plan's findings in detail.

## INTRODUCTION—TAD #7 MIDLAND COMMONS

### REDEVELOPMENT PLAN

This 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 #7: Midland Commons. This redevelopment plan was prepared in conformance with the provisions of the 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. This plan was prepared by Bleakly Advisory Group, Inc. (BAG) on behalf of the prospective developer of the project, Flournoy & Calhoun Realtors, in cooperation with the Columbus, Georgia Consolidated Government.

The purpose of the proposed TAD #7 is to support development of the planned Midland Commons mixed use commercial development on the former site of the Swift Denim Plant and to leverage economic opportunities at the intersection of J.R. Allen Parkway and Manchester Expressway (Route 80) in Columbus, GA. The TAD district also includes Flat Rock Park and surrounding greenspace including a future bike trail.

The TAD will enable the developer, Flournoy & Calhoun, to overcome deficient infrastructure, significant on-site demolition and transportation and circulation related costs and other impediments which have made development of this property economically unfeasible to date. In addition, a portion of TAD funds can be used to make improvements to nearby Flat Rock Park which will improve this public amenity for the residents of North Columbus.

The purpose of this redevelopment plan is to outline a strategy to leverage tax increments from the redevelopment of the former Swift Denim Plant site to both offset the project's high site development costs and make improvements to the commercial areas located immediately to the north of the site and adjacent Flat Rock Park. By leveraging the City's redevelopment powers, the intent of this plan is to achieve a higher quality of development and resulting increased job creation in a much shorter timeline, than would be feasible absent the proposed TAD #7.

Although the immediate objective is to develop Midland Commons mixed use commercial development, the major investment that would result should have a direct benefit to the tax base of the surrounding commercial areas in North Columbus and the proposed

### Definition and Contents of a Redevelopment Plan

Sec. 36-44-3(9) of the Redevelopment Powers Law defines a redevelopment plan as "a written plan of development for a redevelopment area or a designated portion thereof which:"

- (A) Specifies the boundaries of the proposed redevelopment area;
- (B) Explains the grounds for a finding by the local legislative body that the redevelopment area on the whole has not been subject to growth and development through private enterprise and would not reasonably be anticipated to be developed without the approval of the redevelopment plan;
- (C) Explains proposed uses after redevelopment of real property;
- (D) Describes proposed redevelopment projects and explains the proposed method of financing;
- (E) Describes any contracts, agreements, or other instruments which are proposed to be entered into for the purpose of implementing the plan;
- (F) Describes the type of relocation payments proposed to be authorized, if any;
- (G) Includes a statement that the proposed redevelopment plan conforms to the local comprehensive plan, master plan, zoning ordinance, and building codes of the political subdivision;
- (H) Estimates redevelopment costs to be incurred or made during the course of implementing the redevelopment plan;
- (I) Recites the last known assessed valuation of the redevelopment area and estimates the assessed valuation after redevelopment;
- (J) States that if any property to be redeveloped is defined or eligible to be defined as a historic property, such historic property will not be substantially altered in any way that is inconsistent with technical standards for rehabilitation; or demolished unless feasibility for reuse has been fully evaluated;

*(Continued on next page)*

transportation enhancements should have a positive impact on the significant traffic congestion in the area. The Redevelopment Area for this Plan extends to a larger area than the proposed TAD, encompassing the commercial areas around the intersection of J.R. Allen Parkway and Manchester Expressway so that TAD funding could be available in the future for additional improvements beyond those contemplated for Midland Commons.

Required information to support creation of the Tax Allocation District is outlined in the text box at right. The redevelopment plan follows this general outline. Section headings followed by a letter in parenthesis [e.g. (A)] refer to the relevant section in Georgia Code Chapter 36, Title 44, § 3(9) which defines the required contents of redevelopment plans.

### 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](http://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 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 building construction, demolition, public infrastructure, land acquisition, relocation, utilities, debt service and planning costs. Other costs it might cover include:

- Sewer expansion and repair
- Storm drainage
- Street construction and expansion
- Water supply
- Other Utilities (electric, fiber optic, etc.)
- Park improvements
- Landscaping
- Bridge construction and repair
- Curb and sidewalk work
- Grading and earthwork
- Traffic control
- Lighting
- Signage

Cities and counties throughout Georgia have created TADs to stimulate major new construction and renovation or rehabilitation in underdeveloped or blighted areas. Nearly 80 Georgia cities and

*Sec. 36-44-3(9) continued:*

- (K) Specifies the proposed effective dates for the creation and termination of the TAD;
- (L) Contains a map specifying the boundaries of the proposed TAD and showing existing uses and conditions of real property;
- (M) Calculates the estimated tax allocation increment base of the proposed TAD;
- (N) Specifies ad valorem property taxes to be used for computing tax allocation increments, supported by a required resolution;
- (O) Specifies the amount of the proposed tax allocation bond issue or other financing and the term and assumed interest rate for such financing;
- (P) Estimates positive tax allocation increments for the period covered by the term of the proposed tax allocation bonds or other financing;
- (Q) Specifies the property proposed to be pledged for payment or security for payment of tax allocation bonds;
- (R) Includes a school system impact analysis if the plan proposes to include in the tax allocation increment, ad valorem taxes levied by a board of education; and
- (S) Includes such other information as may be required by resolution of the political subdivision whose area of operation includes the proposed redevelopment area.



counties have either created or are considering establishing TADs in their communities. A TAD offers local governments the opportunity to promote worthwhile redevelopment projects that would otherwise not be financially viable, or are located in areas which would otherwise be unattractive to private investment.

Prior to the last Recession in 2008 and 2009, other Georgia tax allocation districts such as Atlantic Station (Midtown Atlanta) and Camp Creek Marketplace (East Point), demonstrated the economic benefits which TADs can generate. These benefits include:

- **A stronger economic base**— TAD incentives can attract private development that would not otherwise have occurred absent of the District designation.
- **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 positive economic impacts to the host taxing jurisdictions.
- **No impact on current tax revenues**—Redevelopment is effectively promoted without tapping into existing general governmental revenues or levying special assessments on property owners.
- **Expands the local tax base**—By stimulating economic activity, TAD's expand the local tax digest, create additional demand for retail sales and as a result, local sales taxes.
- **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 7-20 times their value in private investment.

In summary, a tax allocation district is a financing mechanism that can be used to pay for public infrastructure or reduce private development costs, to make an underutilized area attractive to private investment and development, at no additional cost to local taxpayers. Establishing a TAD does not create a tax increase for either the community or property owners within the District. Nor does a TAD reduce tax revenues to the community, below levels which existed at the time the District was certified. In many cases, TADs can increase general fund revenues from new business personal property taxes, added county sales taxes, hotel/motel taxes, business license fees and other revenues which are not pledged for redevelopment purposes and would not otherwise occur.

#### PURPOSE AND VISION FOR THE PROPOSED TAD #7

The proposed site of Midland Commons is located on the site of the former Swift Denim Plant. The former textile plant was a 490,000 SF facility that at its peak employed over 600 Columbus residents. After several changes of ownership, the mill was closed in 2006 and put up for sale by its then current owners, Galey & Lord. Unable to sell the plant in its current condition, in 2011 the mill was demolished leaving the large concrete slab which defines the site today. Since at least 2006 the former mill site has been actively marketed nationally for redevelopment and considered for redevelopment by a number of firms. However, crafting a financially successful redevelopment plan has proven challenging given the price of the site, the need to demolish the massive concrete slab left from the demolition and the need to address traffic and congestion issues on J.R. Allen Parkway, which has evolved into a busy transportation route. In 2016, the property was acquired by Flournoy

& Calhoun who have a vision for its redevelopment into a major mixed use commercial center to be known as Midland Commons.

The vision for the Midland Commons Redevelopment Plan are to:

- Develop the Midland Commons mixed use development as the anchor of the redevelopment area to provide a major new retail center which will attract and retain retail spending by Columbus area residents in the city that otherwise might be diverted to new retail offerings outside of the city;
- Create a state of the art senior housing development that can meet the needs of this growing segment of Columbus’s population;
- Make improvements to Flat Rock Park which can enhance the experience of visitors to this public park from throughout Columbus and connect to the regional bike trail system as an additional way to access the park;
- Make transportation and traffic control improvements to the site and JR Allen Parkway to lessen the traffic impacts in the area;
- Through successful development of Midland Commons, increase demand and encourage new commercial and/or housing development within the larger commercial area around the intersection of J.R. Allen Parkway and Manchester Expressway which is included in the redevelopment area; and
- Through the creation of Midland Commons, begin to replace the jobs lost with the closing of Swift Denim Plant in 2006.
- The opportunity for the Columbus, Georgia Consolidated Government is to use the funding mechanism of the TAD to leverage private reinvestment through targeted incentives that will help make development of Midland Commons financially feasible. If successful, the development would turn a long-vacant, property into a major mixed use commercial center containing 355,000 SF of retail space and 250 units of senior housing and generating more than 735 permanent jobs.

### **GEOGRAPHIC BOUNDARIES OF THE PROPOSED REDEVELOPMENT AREA (A)**

The proposed boundaries for the Redevelopment Area and TAD #7 are shown on the map below. The Redevelopment Area includes more than five properties covering roughly 289 acres within individual tax parcels.<sup>1</sup>

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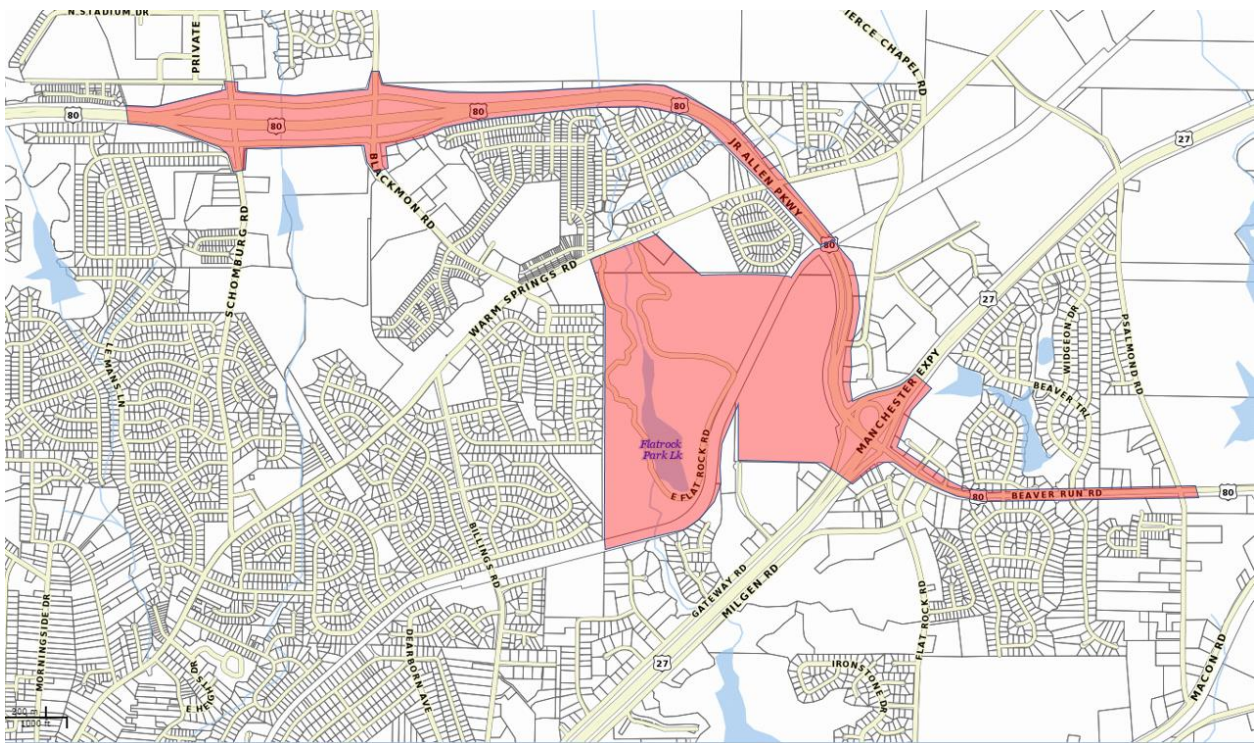
<sup>1</sup> This estimate represents the sum of the acreage within individual tax parcels and does not include area associated with streets, rail lines or polygons which contained no data. Most of these “empty” parcels are located adjacent to roads or rail lines are assumed to be rights of way or utility easements.

**Distribution of Proposed Redevelopment Area Parcels for TAD #7**

Parcel I.D.	Owner	Acres	Appraised Value	Assessed Value
109 0010 001	Swift Textiles LLC	85.39	\$ 8,490,060	\$ 3,396,024
109 001 018	Columbus Georgia	185.11	\$ 2,268,200	\$ -
109 001 015	Columbus Georgia	13.42	\$ 161,000	\$ -
109 001 0156	State of Georgia	3.1	\$ 62,000	\$ -
109 001 006	Department of Transportation	2.18	\$ 13,080	\$ -
<b>Total</b>		<b>289.2</b>	<b>\$ 10,994,340</b>	<b>\$ 3,396,024</b>

The table above shows distribution of redevelopment area properties by land use. This distribution shows that more than 270 acres within the proposed area are in two main parcels, the first is the future site of Midland Commons owned by Swift Textiles LLC, the second is a tax-exempt parcel owned by the Columbus Consolidated Government that is the main area of Flat Rock Park. The redevelopment area also includes the right of way along J.R. Allen Parkway from the northern edge of the intersection with Flat Rock Road on the north to the southernmost portion of the intersection with Psalmound Road to the south.

**Proposed Redevelopment Area for TAD #7**



Through the creation of the Midland Commons TAD, the City would dedicate a portion of future ad-valorem taxes to be invested in the area in order to make development of the commercial mixed-use development financially feasible. The successful development of Midland Commons would, in turn, generate tax revenues from the redevelopment and resulting increased value of nearby properties. The development and expansion of this long-vacant and underutilized property would

therefore generate significant fiscal benefits for the Columbus Consolidated Government and School District, as well as provide employment opportunities for Columbus area residents.

## GROUNDS FOR EXERCISE OF REDEVELOPMENT POWERS (B)

Tax Allocation Districts (TAD) 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, 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; and

**(C) 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.



## WHY MIDLAND COMMONS QUALIFIES AS A REDEVELOPMENT AREA

The Columbus, Georgia Consolidated Government has the authority to exercise all redevelopment and other powers authorized or granted municipalities pursuant to the Redevelopment Powers Law (Chapter 44 of Title 36 of the O.C.G.A.), as approved by Columbus voters by referendum on November 4, 2014. The redevelopment area, including the Midland Commons site and other TAD #7 parcels, meet the statutory definition of a Redevelopment Area under four specific provisions of the Redevelopment Powers Law cited above:

- B (iii) – The predominance of structures or buildings of relatively low value, or significantly slower growth in the tax digest than is occurring in the political subdivision as a whole.
- B (iv)—Declining or stagnant rents or sales prices compared to the political subdivision as a whole.
- B (vi) – Deteriorating or inadequate utility, transportation, or transit infrastructure.
- C (ii) Deteriorating or inadequate infrastructure

Information justifying designation of the redevelopment area is presented in the following section.

- **B (iii) – The predominance of structures or buildings of relatively low value, or significantly slower growth in the tax digest than is occurring in the political subdivision as a whole.**
- **B (iv)—Declining or stagnant rents or sales prices compared to the political subdivision as a whole.**

The key parcel in the redevelopment area for TAD #7 is the site of the former Swift Denim Plant also known as the Boland Mill. This facility was constructed in the mid-1970s as a denim textile mill by the Swift Company, a major textile manufacturing firm with multiple facilities at the time in Columbus, GA. The facility was acquired along with other Swift & Co. assets when the company went bankrupt in 2004 by Galey & Lord. They made the decision to close the plant in 2006, when the new entity, Swift Galey created a joint venture with Denim North America (DNA) and moved denim operations to its other plant in Columbus. More than 600 workers had worked at the Swift denim mill at its peak. At the time of the plant closing Galey & Lord, which was a subsidiary of Patriarch Partners who specialize in corporate turn-around situations, began marketing the closed facility for sale and reuse.

Given the dramatic decline in the textile business in Columbus during the 1995-2005 period, there was little demand for the facility as a manufacturing location. The substantial size of the facility at 490,000 SF, the cost to demolish the facility, and potential environmental issues were all impediments to the sale of the property. After five years of unsuccessfully marketing the property without securing a buyer, in 2011 the owners made the decision to demolish the plant. The 490,000 SF facility was demolished and much of the internal equipment was sold for scrap. All of the major buildings were removed however the major pad site remains, as shown below.

The Swift Denim Plant at the time of closure (left), the demolished site (right)



In June of 2017 the property was acquired by Flournoy & Calhoun for approximately \$6,000,000, which was a substantial discount from the original asking price in excess of \$10 million. The fact that this well-located site at the intersection of J.R. Allen Parkway and Manchester Expressway remained unsold for more than a decade indicates that it was a challenging site for redevelopment. Even after the plant was demolished in 2011, it still took an additional six years for someone to purchase the site for redevelopment.

Thus, since the plant closure in 2006, the Columbus Consolidated Government has received significantly less in property tax revenue from the site for a period of eleven years. Putting this property back into productive use through its redevelopment and thereby significantly enhancing its contribution to CCG's tax digest are two key objectives in creating a TAD to support the redevelopment of the property.

**B (iv)—Declining or stagnant rents or sales prices compared to the political subdivision as a whole**

The inability of the previous owners, who acquired the mill site as part of the bankruptcy of Swift Co, to sell the property over an eleven-year period after an extensive nationwide marketing campaign, indicates that the market for industrial/manufacturing land in the city of Columbus was depressed for an extended period. This period combined two major economic forces which hit the Columbus industrial market with a mighty one-two punch. Starting in the 1990s the U.S. textile industry began a period of long decline as production increasing left the U.S. for off-shore facilities, first in Latin America and Mexico, and then to Asia. As a result, textiles which were such a bulwark of Columbus's economy have experienced a multi-decade period of decline. The Great Recession which began in late 2008, further accelerated this long term negative trend and pushed many struggling and marginal businesses into foreclosure and bankruptcy.

Columbus has been working through these economic changes and has seen major new employers enter the region, but the long legacy of the decline in textiles has made marketing sites like the Swift Denim Plant site very difficult and requires a new redevelopment approach to bring back major investment and jobs to the site. The need to remove the massive concrete pad site, and off and on-site transportation improvements and the sluggish post-Great Recession economy have proved to be major challenges to the redevelopment of the property.

#### **B (VI) – Deteriorating or inadequate utility, transportation, or transit infrastructure**

The development of Midland Commons on the former mill site will result in additional traffic on J.R. Allen Parkway which is already attracting over 24,000 vehicles per day. As early as 2011, the city administration indicated that improvements to the traffic flow along J.R. Allen Parkway would be needed to support the development of the former mill site. Flournoy & Calhoun, the new owners of the property have been in discussions with the Columbus Consolidated Government regarding a series of traffic enhancements which will mitigate the impacts from the development of the site and generally improve traffic flow on the J.R. Allen Parkway and the nearby interchange. These improvements, both on site and along J.R. Allen Parkway will include:

- creation of a deceleration lane;
- installation of smart signalization at key access points into Midland Commons on J.R. Allen Parkway;
- creating an internal circulation system to move cars efficiently around the site and into the key intersections; and
- other improvements on J.R. Allen Parkway and East Flat Rock Road to enhance traffic movement and access.

The City has indicated in discussions with the developers that these enhancements are essential improvements that are required to deal with the high level of congestion and high traffic volume in the area if the development of Midland Commons is to occur.

#### **C(ii) Deteriorating or Inadequate infrastructure**

Contained within the proposed boundaries of TAD #7 is Flat Rock Park. This 209-acre park is a major public recreational facility for the citizens of Columbus. The Park is located Northeast of Columbus, GA at 6106 Warm Springs Road, near the interchange between Alternative Route 27 and U.S. Highway 80. The park has a lake and a loop of four walking and biking trails around it which are approximately 21 miles long. The park is also a popular spot for fishing, families, and events, with outdoor picnic facilities available for rent.

It is the intention of the CCG and the developers of Midland Commons that a portion of the TAD proceeds will be used to make upgrades to some of the infrastructure in park to enhance the experience for the many visitors and special events that use this public facility.

**View of Lake and internal roadway at Flat Rock Park in TAD #7**



### **PROPOSED LAND USES AFTER REDEVELOPMENT (C)**

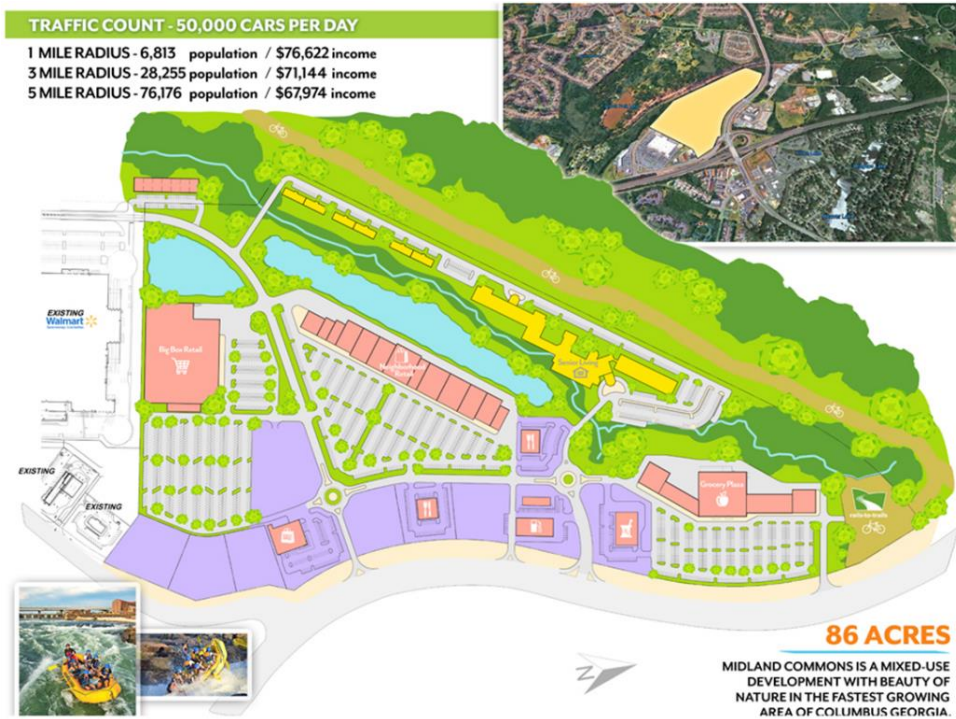
The proposed Tax Allocation District #7 is intended to support the development of a vacant, 86-acre parcel located on the western side of J.R. Allen Parkway into a major mixed use commercial development. Coupled with the completion of planned transportation improvements to the area, economic activity generated by the proposed commercial center is expected to create more residential and commercial development opportunities around the site. Additionally, a senior housing development will be included on the site to accommodate the needs of senior residents in the area.

### **PROPOSED REDEVELOPMENT PROJECTS AND METHOD OF FINANCING (D)**

The plan for Midland Commons is illustrated in a site plan, which appears later in this section. The property can support the development of nearly 335,000 SF of retail uses. In addition, a total of 250 senior housing units are planned for the mixed-use development. At build-out an estimated 735 permanent employees will be working at Midland Commons in the commercial and senior housing components of the development.



### Midland Commons Conceptual Site Plan



### Proposed Development – Midland Commons

**EXHIBIT 1: DEVELOPMENT PLAN FOR MIDLAND COMMONS**

Development Components	Square Feet
<b>Grocery Anchored Retail Center</b>	
Retail Anchor	80,000
Retail Anchor B	30,000
In-Line Retail Space	20,000
Subtotal	130,000
<b>Other Major Retail</b>	
In-Line Retail Space	170,000
<b>Retail Outparcels</b>	
Parcels 1-11	55,000
<b>Total Retail</b>	<b>355,000</b>
<b>Assisted Living</b>	
250 unit complex	215,625
<b>Total SF of Development</b>	<b>570,625</b>

Source: Flournoy & Calhoun Realtors/BAG

The table above summarizes the proposed development program for Midland Commons, showing the distribution of proposed retail and residential development by land use. (The locations of these development components are shown on the conceptual site plan above.) It is anticipated that the project would require approximately four to five 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 this Midland Commons site will be made chiefly from several points of intersection with J.R. Allen Parkway, at, East Flat Rock Road, on the north and a to other points along J.R. Allen Parkway. This will allow for easy access into the all portions of the Midland Commons site.

This report does not attempt to forecast and future development in the area around the TAD, beyond Midland Commons. However, it can be reasonably assumed that if the commercial mixed-use development is successful, additional development could be attracted to areas around TAD #7 which, since they are not included in the TAD, would immediately generate additional property tax and sales tax revenues 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 Midland Commons will be through private equity and debt. TAD proceeds would be used to supplement private financing and reduce overall development costs in order to make this project financially feasible. TAD proceeds would be applied to address off-site development costs and/or reduce the cost of constructing access roads and internal infrastructure. In addition, a portion of TAD funds will be used to make transportation improvements to J.R. Allen Parkway and to enhance Flat Rock Park. Forecasts of potential TAD proceeds and proposed uses of those proceeds are addressed in detail, later in this report.

### CONTRACTUAL RELATIONSHIPS (E)

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 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 local governmental 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 the City.
6. The City will 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. The City will perform other duties as necessary to implement the redevelopment plan.

## **RELOCATION PLANS (F)**

The site of the proposed Midland Commons is undeveloped and therefore, no existing residences or businesses will need to be relocated. However, if at any time in the life of TAD #7 relocation of any residences or businesses is required, relocation expenses may be provided for under all applicable federal, state and local guidelines.

## **CONFORMANCE WITH LOCAL COMPREHENSIVE PLANS, ZONING & LAND USE CODES (G)**

Current zoning clearly does not reflect the City's desired future use of this site. As will be shown in the following maps, the Columbus Consolidated Government's 2008-2028 Comprehensive Plan also treated the Swift Denim Plant portion of the TAD as potential light industrial uses.

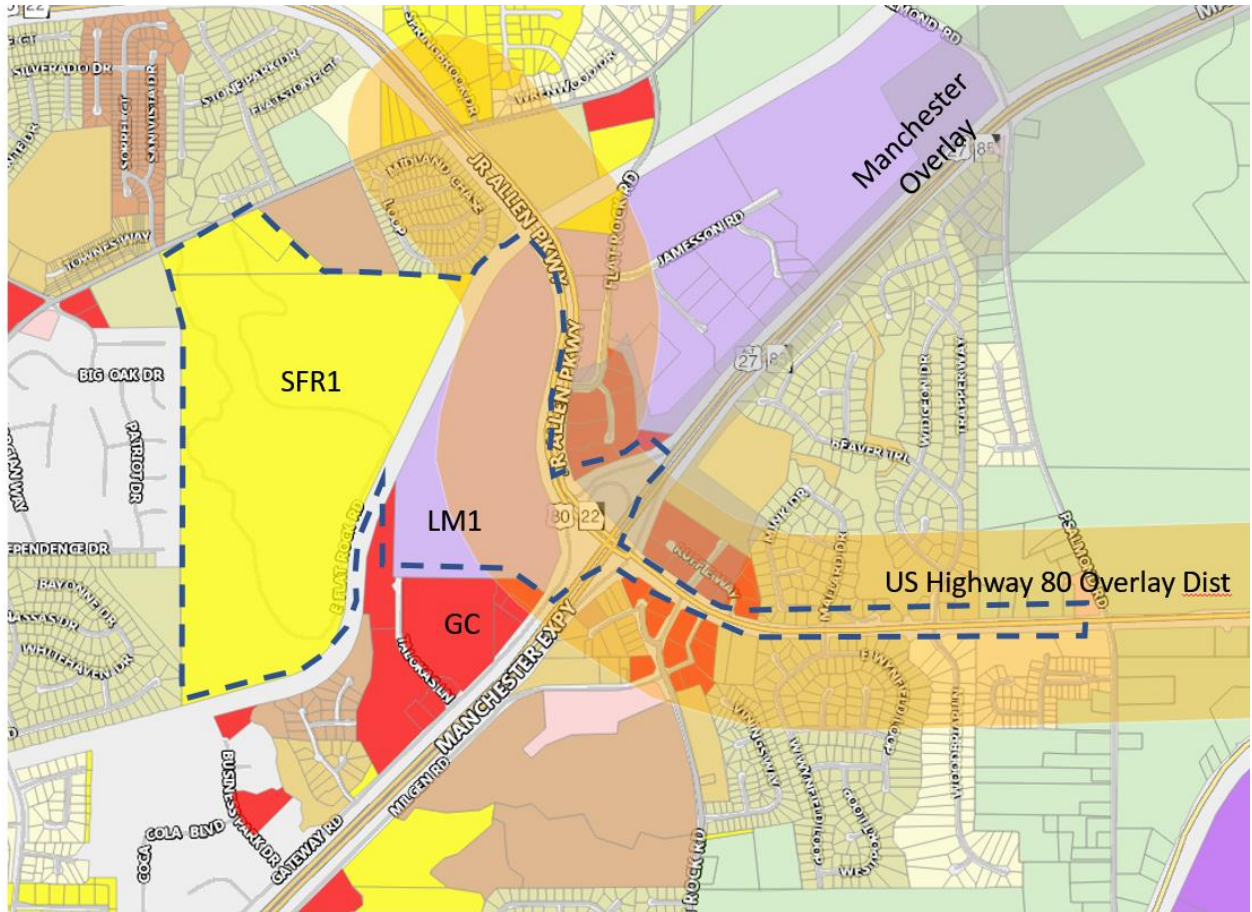
Appropriate zoning, development regulations and design standards will be prepared to support implementation of the proposed Midland Commons development is underway as part of the site planning, permitting, and engineering process. The following maps are provided from the City Zoning Map, the Columbus Consolidated Government's 2008-2028 Comprehensive Plan. Relevant observations from each of these maps include the following:

### **Zoning**

Predominant zoning within the redevelopment area allows for SFR1 (Single-Family Residential) on the western three parcels (Flat Rock Park) , and LM1 (Light Manufacturing) on the two parcels fronting J.R. Allen Parkway.

Portions of the two parcels fronting J.R. Allen Parkway adjacent to the road are included in the US Highway 80 Overlay District and the Manchester Highway Overlay.

Columbus Consolidated Government: Existing Zoning Map  
(Approximate Redevelopment Area boundaries shown inside the blue dashed line)

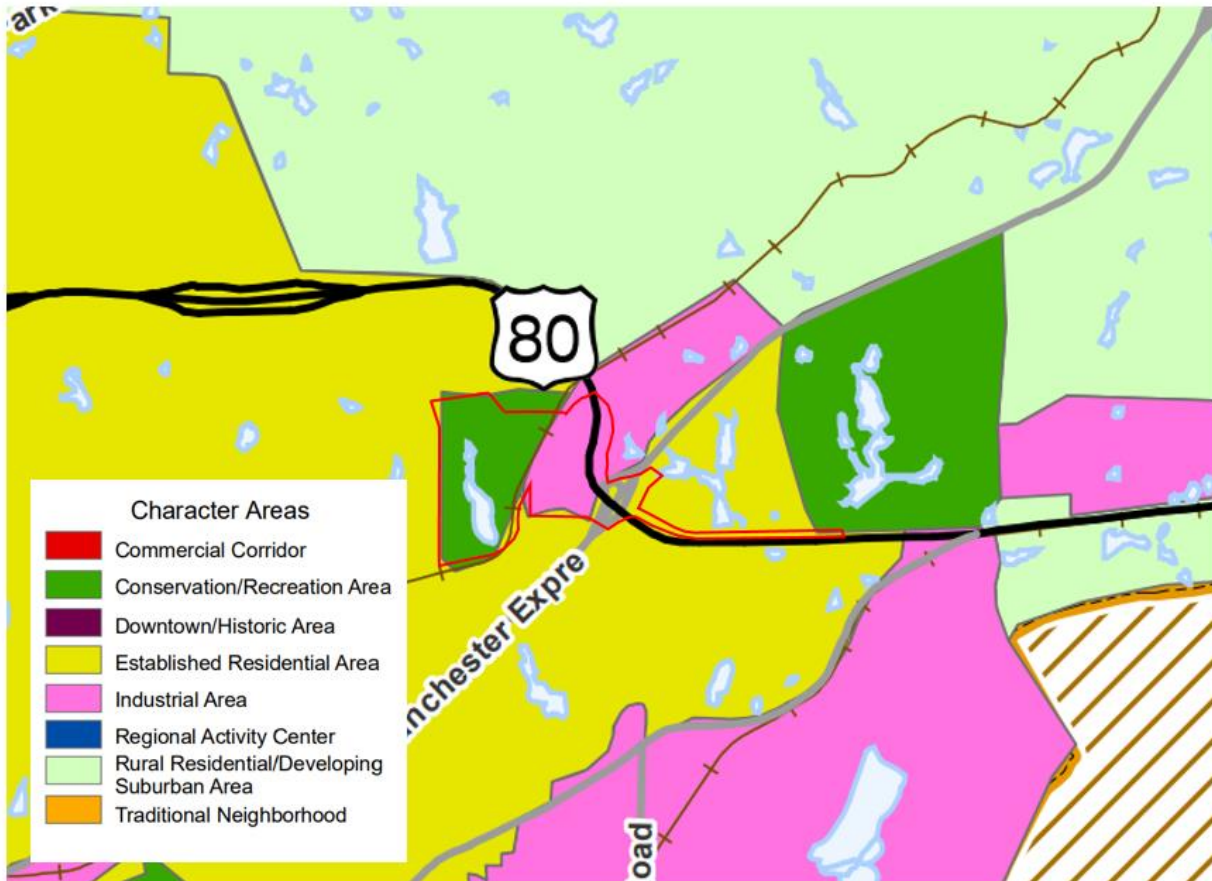




### Character Area

The redevelopment area is designated in the 2008-2028 Comprehensive plan’s Character Area map as “Conservation/Recreation Area) on the west of the area, and “Industrial Area” on the east side of the area.

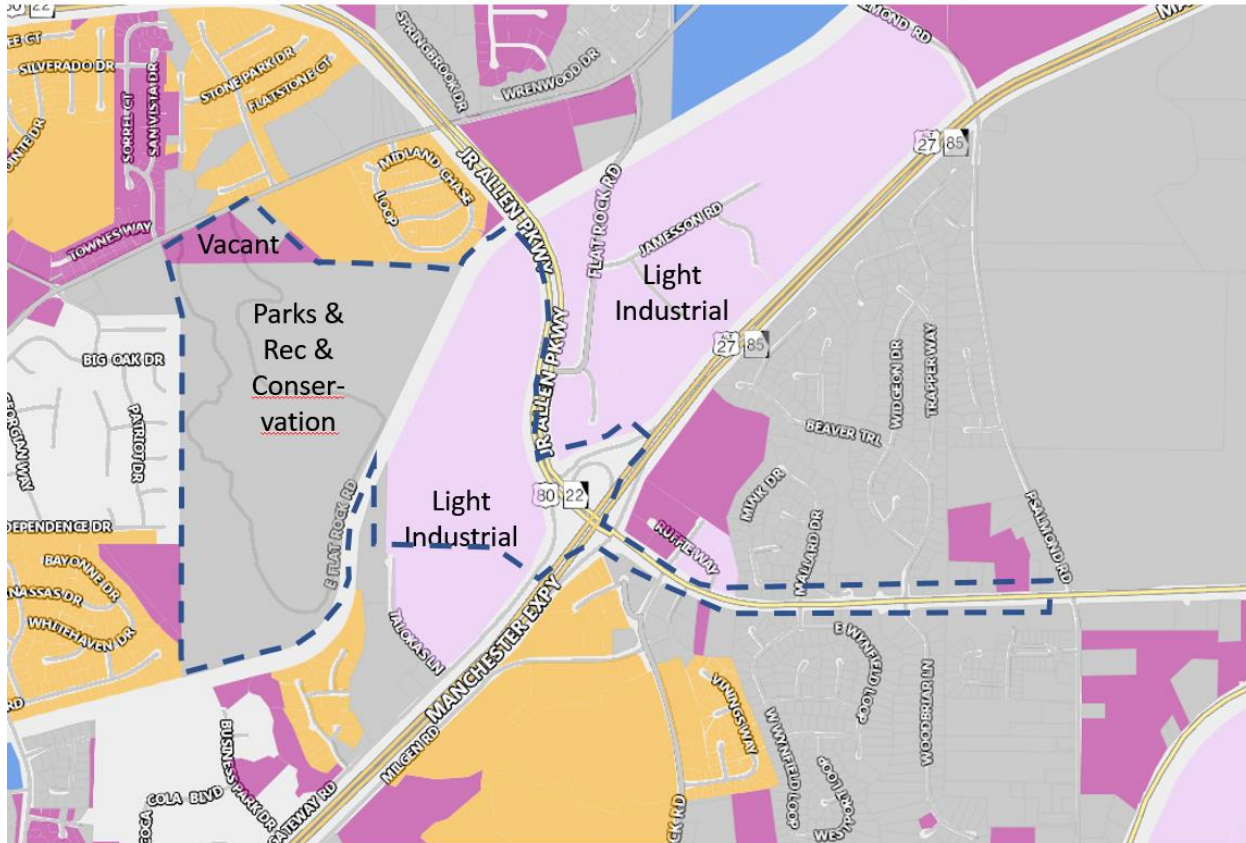
**Columbus Consolidated Government 2008-2028 Comprehensive Plan: Character Areas  
(Approximate Redevelopment Area boundaries shown inside red line)**



### Existing Land Use

The redevelopment area's current land use is "Parks & Recreation & Conservation Area", and "Vacant" on the west of the area, and "Light Industrial" on the east side of the area.

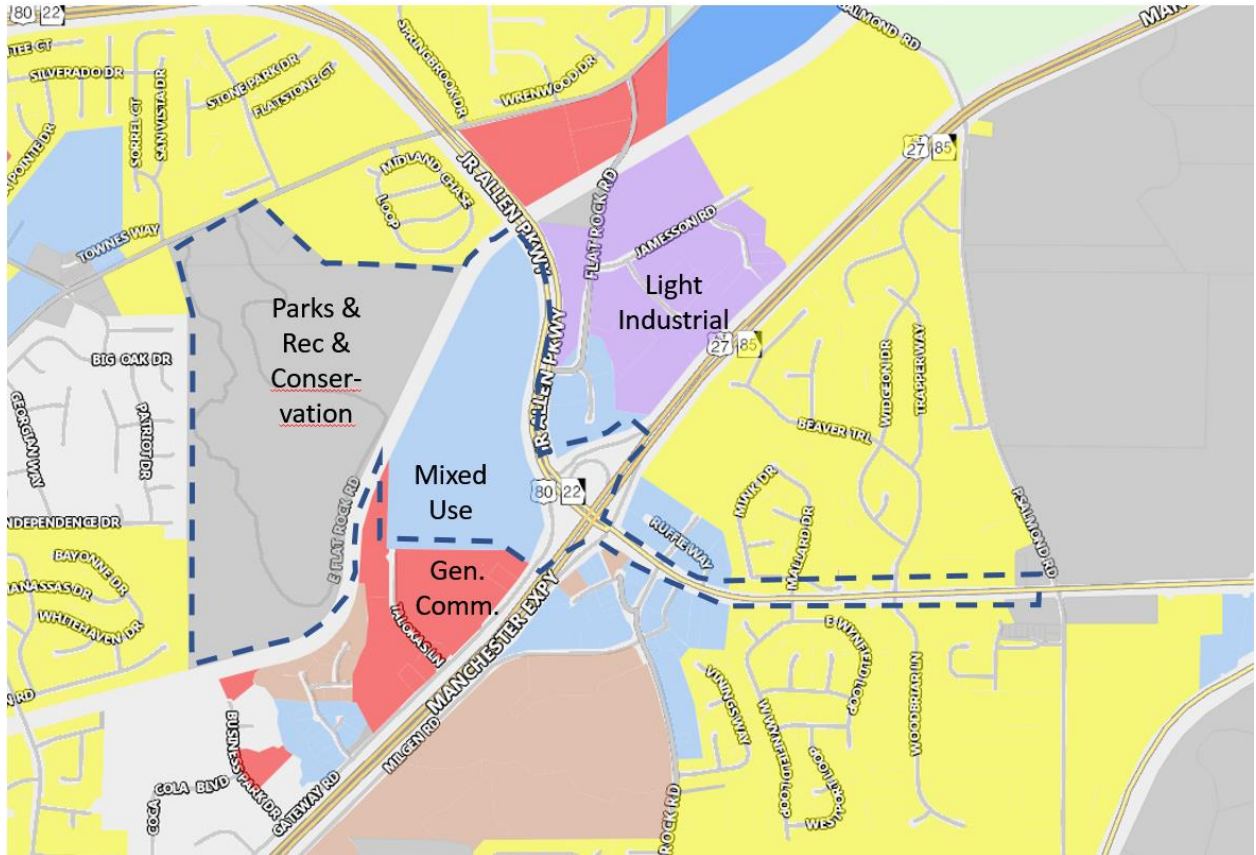
**Columbus Consolidated Government 2008-2028 Comprehensive Plan: Existing Land Use (Approximate Redevelopment Area boundaries shown inside the blue dashed line)**



### Future Land Use

The Columbus Consolidated Government designate the redevelopment area’s current land use as “Parks & Recreation & Conservation” on the west of the area, and “Mixed Use” on the east side of the area, consistent with the projects proposed in the TAD Redevelopment Plan.

### Columbus Consolidated Government 2008-2028 Comprehensive Plan: Future Land Use (Approximate Redevelopment Area boundaries shown inside the blue dashed line)



## ESTIMATED REDEVELOPMENT COSTS/METHOD OF FINANCING (H)

The law requires that Redevelopment Plans estimate “redevelopment costs to be incurred or made during the course of implementing the plan.” Estimating potential costs first requires estimating the amount of revenues which may be realistically generated from successful implementation of the plan. Once estimated, available revenues can be assigned to eligible cost items. The vast majority of the cost of developing the proposed Midland Commons will be privately financed and paid for through land sales and profits from building construction. However, existing values for developed commercial sites in the Columbus market are not sufficient to cover “extraordinary” cost items that are necessary to provide prepare the site for development and make the necessary traffic and circulation improvements, as well as to upgrade and extend utility infrastructure to serve an estimated more than 500,000 SF of potential future development at this location.

### TAD POTENTIAL OF TAX ALLOCATION DISTRICT #7: MIDLANDS COMMONS

The following section estimates potential bond revenues and Pay As You Go (PAYGO) financing options from future development projects in TAD #7, assuming that both the Columbus Consolidated Government and the Muscogee County School District pledge their respective M&O millage to the redevelopment effort.

As shown below, the properties in the proposed TAD have a current taxable value of \$3.4 million. The largest portion of the proposed TAD is Flat Rock Park, which is owned by the CCG and therefore is tax exempt. The development of Midland Commons would result in the growth of \$23.0 million in new taxable value within TAD #7. Net of the base valuation of \$3.4 million, the incremental growth in the tax base of the TAD #7 at build-out is estimated to be \$19.6 million, **more than a fivefold increase in the base value of TAD #7.**

Estimated Incremental Property Values TAD #7	
<b>Existing Property Values</b>	
Parcels 4	4
Acreage	270.5
Existing Appraised (Market) Value	\$ 10,771,071
Taxable Value	\$ 3,401,148
<b>New Property Values from Redevelopment</b>	
<b>Retail</b>	
Retail SF	355,000
Market Value per SF	\$ 110
Taxable Value per SF	\$ 44
Total Retail Taxable Value	\$ 13,490,000
<b>Senior Housing</b>	
Senior Housing Units	250
Market Value per Unit	\$ 95,000
Taxable Value per Unit	\$ 38,000
Total Senior Housing Taxable Value	\$ 9,500,000
<b>Total Taxable Value</b>	<b>\$ 22,990,000</b>
Less Existing Taxable Value	\$ 3,401,148
<b>New Incremental Taxable Value</b>	<b>\$ 19,588,852</b>

By applying the M&O millage rate for CCG and Muscogee County Schools, it appears that the increase in property values in TAD #7 will generate approximately \$794,000 in additional property



taxes annually. This is the critical property tax increment that will go to the TAD Special Fund and is available for investment back into the TAD for qualified projects.

<b>Tax Allocation District #7: Midland Commons TAD Revenue/Financing</b>	
<b>New Incremental Taxable Value from Development</b>	<b>\$ 19,593,940</b>
2016 Millage Rates (M&O only)	
Columbus Consolidated Government	0.017180
Muscogee Schools	<u>0.023321</u>
Total TAD millage rate	0.040501
<b>Estimated Incremental Property Taxes</b>	<b>\$ 793,574</b>
<b>TAD Bond Estimate</b>	
Property Taxes for Debt Service	\$ 793,574
Debt Coverage Ratio	125%
Bondable Property Taxes	\$ 634,859
Interest Rate	6.00%
Bond Term-Years	25
Estimated Bond Amount	\$ 8,658,721
Issuance Costs (3%)	\$ 259,762
Capitalized Interest (24 months)	\$ 1,039,047
Debt Reserve (11%)	\$ 952,459
<b>Net Bond Proceeds</b>	<b>\$ 6,407,454</b>
<b>TAD Pay As You Go (PAYGO) Amount</b>	
Estimated Incremental Property Taxes	\$ 793,574
10 year PAYGO Option Proceeds	\$ 7,935,742
15 year PAYGO Option Proceeds	\$ 11,903,612

Source: BAG, Muscogee County Tax Assessor

Based on this growth in the tax increment from TAD #7, we have estimated the amount of TAD financing that could be supported. Two financing alternatives are illustrated: The first, assumes that the CCG issues tax exempt debt for 25 years based on the incremental property taxes which are paid into the Special Fund each year. The second approach, assumes that CCG and the developer enter into a Pay-As-You-Go (PAYGO) financing approach. Under this approach the developer would receive an amount equal to the incremental taxes they pay into the special fund for the property taxes from the special fund each year for a specified period—we have modeled both a ten year and fifteen-year PAYGO approach for illustrative purposes.

BAG estimated the amount of proceeds this revenue stream could leverage using the following financing assumptions:

- **Tax Exempt Bond**—A TAD bond is assumed to be issued in 2018 or 2019, in order to provide funding which may be needed to support site preparation, road and infrastructure extensions and internal circulation. This bond is assumed to have a 25-year term, a 1.25 debt coverage ratio and a 6.00% interest rate. Calculations assume that the first two years of interest payments and a one year debt service reserve would be capitalized into the bond. We have also assumed a 3.0% issuance cost to cover any loan fees and potential reimbursements the City may wish to recover. Under this financing approach the total bond amount financed would be approximately \$8.7

million and the net proceeds available to invest in the development would be approximately \$6.4 million.

- **PAY-GO Financing**—Under this second approach, it is assumed that a qualified project would receive the amount of incremental property taxes, estimated to be \$794,000 at build-out, from the TAD Special Fund after project property taxes have been paid on an annual basis for either a term of ten years or fifteen years. Over a ten-year period, this would result in total payments of \$7.9 million and over fifteen years \$11.9 million from the PAY-GO approach. The developer would have the option to either finance these future payments with their debt and equity lenders or self-finance the future stream of payments.

Utilizing alternative terms, interest rates and debt coverage ratios would also produce differing estimates of bonding potential. The preceding estimates are intended to be representative and conservative. Any number of realistic alternative scenarios could also be modeled and could easily produce results which vary by a factor of 25% or more depending on future market conditions or whether the City provided a credit enhancement to secure a lower interest rate.

#### PROPOSED REDEVELOPMENT COSTS (USES OF TAD PROCEEDS)

Priorities for the use of TAD proceeds would evolve as project planning proceeds, more detailed site development budgets are prepared and actual costs become better known. The intent is to employ TAD proceeds as available and necessary to make site development financially feasible and to attract the types of end-users that would positively impact the redevelopment area and the regional economy. Uses of TAD proceeds may include (a) supporting site development (including access roads, site preparation, demolition of the remaining slab, utility improvements, etc.) (b) access enhancements and signalization at the main entrances to the property, and (c) funding certain improvements to Flat Rock Park. Four specific uses for TAD proceeds are described below.

- **Traffic enhancements and intersection improvements:** Given the substantial volume of traffic on J.R. Allen Parkway, access to Midland Commons will need to be improved, through creation of multiple entrances, a deceleration lane, and enhanced signalization. While some of these costs can be absorbed by the project, this site has unique access challenges and improvements which need to be made to assure its impact on J.R. Allen is minimized.
- **Internal Circulation:** With the active uses planned on site and over 355,000 SF of retail space the creation of an internal street network to handle traffic that allows ready access to all parts of the mixed-use development is essential.
- **Site Demolition and Development Costs:** the massive slab of the former textile plant remains on site and has to be removed to allow for redevelopment. This will be a major extraordinary cost of redevelopment and has likely been a major cost which has made redevelopment infeasible in the past. In addition, given its past manufacturing use, the site lacks sufficient water, sanitary sewer, specialty infrastructure that the planned uses may require.

- Park Enhancements:** The City has requested that Flat Rock Park be included in the boundaries of TAD #7 and would like to finance some modest improvements to the park from potential TAD proceeds. We have included these costs in the TAD estimate.

A representative funding allocation for the potential TAD Funds are itemized below:

Potential Uses of TAD #7 Proceeds		
Potential Expenditure	Estimated Allocation	Total Funds
1. Traffic enhancements/intersection improvements	40%	\$ 3,000,000
2. Internal circulation	20%	\$ 1,500,000
3. Site demolition/preparation	32%	\$ 2,400,000
4. Park enhancements	8%	\$ 600,000
<b>Total TAD Funding</b>	<b>100%</b>	<b>\$ 7,500,000</b>

**Conclusion**

The estimated \$7.5 million in TAD proceeds could be used in numerous combinations as specific needs arise. The above table contains a representative distribution of fund uses among the priorities described above. In reality, TAD proceeds will be allocated to specific purposes as development opportunities arise and specific agreements are negotiated between the Master Developer and the CCG and with prospective end users.

The calculations made above provide one reasonable forecast of achievable future redevelopment within the proposed TAD #7, resulting in gains in the area’s real estate tax digest, corresponding tax allocation increments, supportable TAD financing proceeds and potential uses for those proceeds to reduce redevelopment costs. As noted above, numerous combinations of equally reasonable inputs and assumptions could be applied to produce marginally different results. This report sets an achievable expectation for the TAD’s future financial performance, which is intended to help the Consolidated Government make decisions moving forward.

**ASSESSED VALUATION FOR TAD (I)**

The redevelopment area for Columbus, Georgia Consolidated Government Tax Allocation District #7–Midland Commons as defined in this Redevelopment Plan includes five tax parcels and 289.2 acres within those parcels. The proposed TAD #7 has an estimated 2017 fair market value of \$8,490,060 and a taxable assessed (40% digest) value of \$3,396,024, 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, 2018, 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 Midland Commons, this tax allocation district is projected to have a market

value of approximately \$57.5 million and a taxable value of \$22.9 million at the end of an estimated 5-year absorption period. This represents an incremental digest growth of \$19.6 million over existing conditions or more than a fivefold increase in taxable value.

Change in Taxable Value of TAD #7	
Market Value of New Investment in TAD	\$ 57,475,000
Taxable Value of New Investment in TAD	\$ 22,990,000
Base Taxable Value of TAD	\$ 3,396,024
<b>Total Incremental Taxable Value of TAD at Build-Out</b>	<b>\$ 19,593,976</b>

### HISTORIC PROPERTY WITHIN BOUNDARIES OF TAD (J)

The proposed redevelopment area for TAD #7 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.

### CREATION & TERMINATION DATES FOR TAD (K)

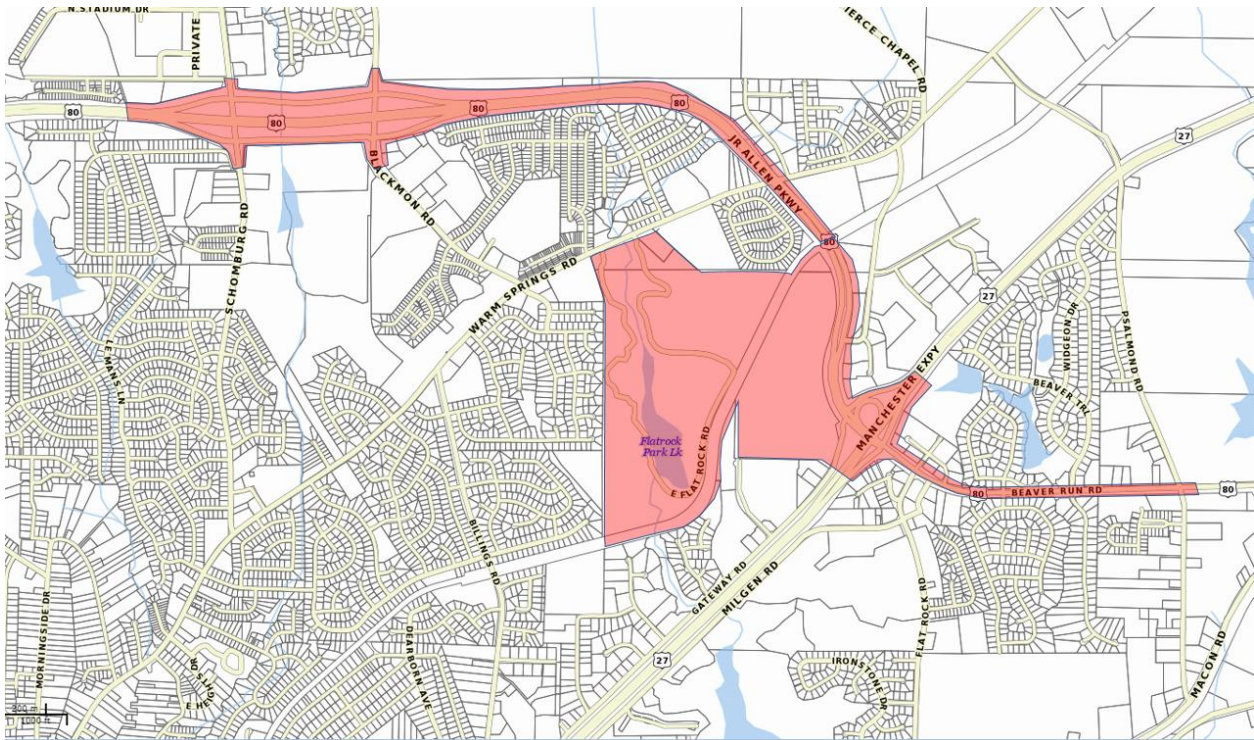
Tax Allocation District #7 will be created effective December 31, 2018. The Redevelopment Powers Law provides that the TAD will be in existence until all redevelopment costs, including debt service, are paid in full. For analysis purposes, this report assumes that the TAD will remain in existence for a maximum of 30 years.

### TAD BOUNDARIES EXISTING USES OF REAL PROPERTY (L)

The proposed TAD #7 boundaries are shown on the following map. Existing land use within the proposed TAD #7 is predominantly vacant land, of the former Swift Denim Plant site, and Flat Rock Park, the remaining land is largely highway right of way and the Fall Line Trace. These uses are shown on the Existing Land Use Map presented earlier in this report. The boundaries of the TAD include the totality of the five parcels listed and the right of way along J.R. Allen Parkway, and the interchange with Manchester Expressway as shown in green on the map below.



MAP 2: Proposed TAD #7: Midland Commons



The TAD includes 5 tax parcels located within the pink shaded area plus associated public rights of way. (A complete list of TAD parcels appears in Appendix A.) For any section roadway that is used as a boundary in the TAD map, including but not limited to J.R. Allen Parkway, East Flat Rock Road, Psalmound Road and the intersection with Manchester Expressway, the entire section of ROW is intended to be included inside the TAD boundary in order to maintain flexibility to use TAD proceeds for public improvements to those rights of way, if desired by the redevelopment agency.

Implementation of this redevelopment plan is not entirely 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 and adjustments will be required for the proposed land uses. Development of Midland Commons will generate increased retail activity and create needed jobs that were lost with the closing of the textile plant more than a decade ago.

### TAX ALLOCATION INCREMENT BASE (M)

On or before December 31, 2018, the Columbus Consolidated Government, acting as the redevelopment agent, will apply to the State Revenue Commissioner for a determination of the tax allocation increment base of the proposed tax allocation district. The base is estimated as follows:



Tax Allocation District #7: Midland Commons Summary		
Number of Parcels		5
Total Acres		289.2
2017 Appraised (Market) Value --Estimated	\$	8,490,060
2017 Taxable Digest	\$	3,396,024
Columbus Consolidated Government (District #1) Digest	\$	4,095,838,001
TAD #7 as Percent of Columbus Digest		0.083%

Source: BAG, Muscogee County Tax Assessor and GA Department of Revenue

**Property Taxes Collected Within Tax District to Serve as Base**

<i>Total Taxable (\$3,396,024) x Usable (M&amp;O) Millage (0.040501) = \$137,524.</i>
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The Redevelopment Powers Law caps the percentage of tax digest in any taxing jurisdiction which can be located within one or more Tax Allocation Districts to 10%. As the seventh proposed TAD within the Columbus Consolidated Government, it is important to maintain flexibility to address other priorities in other areas.

As shown, the total taxable digest contained within the proposed TAD is insignificant, consuming only eighty-three hundredths of one percent (0.083%) of the Consolidated Government’s tax digest. To date the CCG has approved six TADs which combined represent 3.9% of the City’s tax digest. The addition of TAD #7 will bring the combined digest in all TADs in the Columbus Consolidated Government to just under 4% at 3.883%. Approval of the proposed TAD will therefore leave ample flexibility to address other priorities in the future.

**AD VALOREM PROPERTY TAXES FOR COMPUTING TAX ALLOCATION INCREMENTS (N)**

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 following authorized millage rates:

2017 M&O Millage Rates*	
Columbus CG Urban Service District 1	17.180
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.

## TAX ALLOCATION BOND ISSUES (O, P, Q)

### AMOUNT OF BOND ISSUE

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 \$1 to \$10 million depending upon whether the School District consents to participate, terms available at the time of issuance and the types of financing methods used.

### TERM OF THE BOND ISSUE OR ISSUES

The Columbus Consolidated Government proposes 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 25 year term.

### RATE OF BOND ISSUE

The Columbus Consolidated Government intends to either (a) seek fixed-rate tax exempt bonds; (b) obtain comparable forms of commercial financing as available, or (c) enter into a development agreement to remit certain 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 Consolidated Government reserves the right to consider a range of potential financing options, as appropriate.

### PROPERTY PROPOSED TO BE PLEDGED FOR PAYMENT OF TAX ALLOCATION INCREMENTS FINANCING

Bonds or pay-as-you-go agreements will be secured by the positive tax allocation increment from eligible ad valorem taxes levied for these purposes. Based on current millage rates and commercial property values in Columbus, positive tax allocation increments from development of real estate are estimated at \$794,000 when build-out is completed within five years. 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 in the TAD as a whole.



## SCHOOL SYSTEM IMPACT ANALYSIS (R)

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 Columbus Consolidated Government Tax Allocation District #7–Midland Commons in order to address the requirements of this portion of the Redevelopment Powers Law.

### CURRENT VALUE OF TAD #7 VERSUS THE MUSCOGEE COUNTY SCHOOLS TAX DIGEST

The current tax digest of TAD #7 is estimated to be \$3,396,024. According to the Georgia Department of Revenue, the most recent published value for the Muscogee County School District’s net taxable digest (M&O) is nearly \$4.51 billion.<sup>2</sup> Thus, the proposed TAD #7 represents roughly seventy-five hundredths of one percent (0.075%) of the School District’s total tax digest.

The amount of ad valorem school taxes collected from the properties in the designated the TAD, as determined by the tax assessor on December 31, 2018, will continue to flow to the Muscogee County School District throughout the operation of the TAD.

The TAD Special Fund will receive any additional property taxes collected above the 2018 base amount for use to attract redevelopment in TAD #7.

TAD Digest as a Percent of Muscogee School District	
Taxing Jurisdiction	Net Taxable M&O Digest
TAD #7: Midland Commons	\$ 3,396,024
Muscogee County School District	\$ 4,508,513,165
TAD #7 Taxable Digest as a Percent of	0.075%

Source: Georgia Department of Revenue/BAG

### ESTIMATED NUMBER OF PUBLIC SCHOOL STUDENTS FROM TAD #1

The development plan for Midland Commons calls for the creation of 250 senior housing units. Since these units will be age-restricted to persons who are either 55 and older or 62 and older, there will be no school aged children living at Midland Commons. At this time, there are no specific proposals to introduce other residential development within the proposed TAD. Thus, there will be no school aged children living at Midland Commons that would impact the Muscogee County School District.

### THE LOCATION OF SCHOOL FACILITIES WITHIN THE REDEVELOPMENT AREA

There are no Muscogee County Schools facilities located within TAD #7. The closest schools to TAD #7 are Ridgeland Middle School, Blackmon Road Middle School, and Eagle Ridge Academy. None of these

<sup>2</sup> Published tax digest information used for this report is for 2016 as reported by the Georgia Department of Revenue. 2017 digest values may be different from what is reported herein. The taxable digest reported in the table is for general fund (M&O) expenditures. The School District’s tax digest for bond issues is even larger at \$5.75 billion.



schools would be directly impacted by development of Midland Commons in terms of enrollment. The location of more employers and potential job opportunities for area residents should have a positive impact on area schools.

### PROPOSED REDEVELOPMENT IN TAD #7: MIDLAND COMMONS

As detailed earlier in this plan, the proposed Tax Allocation District will support development of Midland Commons on a site that is currently vacant and underutilized. Build out could reach nearly 500,000 SF of retail, restaurants and service businesses as well as senior housing. At completion, it will employing up to 735 workers by 2022.

### ESTIMATE OF SCHOOL DISTRICT REVENUE IMPACTS FROM TAD DEVELOPMENT

Currently, the entire 289-acre TAD #7 generates roughly \$79,200 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 Muscogee County averages 35% of commercial and industrial real estate value, so a similar ratio is likely to apply to the value of additional personal property digest created from development of Midland Commons. At build out, the digest value of commercial personal property could exceed \$6.8 million and generate an additional \$160,000 in personal property taxes for the School District each year—significantly increasing its revenue from TAD #7 from personal property each year.

In addition, the new retail development at Midland Commons will generate additional sales taxes for the School District during years in which a special purpose local option sales tax for educational purposes (ESPLOST) is in effect. At completion, this annual revenue from sales at Midland Commons will generate approximately \$479,000 in ESPLOST revenue annually.

The following table estimates total annual School District revenues from development of Midland Commons, at build out, (which is forecast to occur in 2022) including real estate digest from the base value of the TAD, plus personal property and sale taxes. By foregoing incremental future real estate taxes from a currently underdeveloped vacant site, the School District could receive roughly \$718,000 per year in combined tax revenues from the above sources. This more than nine times what the district is currently receiving from TAD #7--while the TAD is still in effect. After the TAD is dissolved, the School District would receive an additional \$458,000 in annual property taxes on real estate that were pledged to the TAD, for a total annual payment of \$1,177,000 per year from its participation in the TAD.

**Estimated Taxes to the Muscogee County Schools at Build Out of TAD#7**

<b>Revenues to Muscogee County School District from TAD #7</b>	
<b>Property Taxes</b>	
Base Taxable Value of TAD #7	\$ 3,396,024
Muscogee County Schools Millage	23.321
Annual Property Taxes to MCSB	\$ 79,199
Personal Property Value of Midland Commons	\$ 6,855,000
Muscogee County Schools Millage	23.37
Annual Personal Property Taxes to MCSB	\$ 160,201
<b>Total Annual Property Taxes to MCSB</b>	<b>\$ 239,400</b>
<b>ESPLOST Revenue to MCSB</b>	
Midland Commons Retail SF	355,000
Estimated Retail Sales Per SF	\$225
Estimated Total Retail Sales at Midland	\$79,875,000
Estimated Net New Sales at 60%	\$47,925,000
<b>ESPLOST Revenue to MCSB</b>	<b>\$479,250</b>
<b>Total Annual Property and Sales Taxes to MCSB</b>	<b>\$ 718,650</b>
<b>Total Property and Sales Taxes for 10 Years</b>	<b>\$ 7,186,500</b>

Source: BAG

Since there will only be residential development targeted to seniors in TAD #7, with no direct increase in educational service costs, the School District would clearly financially benefit, both short and long term, by consenting to participate in the TAD.

**Conclusion Regarding School District Impacts**

As demonstrated in the preceding analysis, the economic impacts to Muscogee County Public Schools from participating in TAD#7: Midland Commons are as follows:

1. TAD #7 redevelopment area will affect the future appreciation on 0.075% (seventy-five hundredths of one percent) of the School District’s tax digest. The current amount of property taxes generated from within the TAD, approximately \$79,000, will continue to go to the school system—only taxes associated with incremental real estate digest growth above the current base amount are pledged to the TAD.
2. The TAD #7 redevelopment area will not directly add any school children and therefore impose service costs to the School District.
3. There are no Muscogee County School District facilities located inside the TAD boundary. However, nearby schools in the larger nearby redevelopment area would benefit from the improvement of surrounding properties.
4. By 2022, proposed redevelopment in TAD #7 should generate roughly \$718,000 per year in School District revenues in base real estate taxes, personal property taxes and ESPLOST, representing a near 9-fold increase over current revenues of \$79,000 per year.

Thus, we conclude that the potential gains to the Muscogee County Schools from participating in TAD #7 will be substantially net positive from a financial perspective due to the future growth in its tax digest and ESPLOST revenues, with no resulting impacts on the demand for school services.



**BENEFITS OF TAD #7: MIDLAND COMMONS (S)**

In conclusion, the creation of TAD#7: Midland Commons could leverage \$65 million in new investment over a five-year period. Future development would increase the current \$3.4 million taxable digest value of the TAD by an additional \$19.6 million. This would result in approximately \$1.1 million in new real estate and personal property tax receipts when Midland Commons is fully built out. The proposed commercial mixed-use development and senior housing will create more than 735 new jobs with an annual payroll of \$18.6 million.

<b>Summary TAD #7: Midland Commons Benefits at Build-out</b>	
Value of private investment in Midland Commons	\$65,400,000
Additional Ad Valorem tax digest	\$ 19,593,940
Additional Personal Property tax digest	\$ 6,857,879
Estimated real estate tax increments	\$ 1,072,621
Estimated sales tax benefits	\$ 1,917,000
Estimated New jobs created	735
Estimated new payroll created	\$ 18,649,280

**APPENDIX A. LIST OF TAX PARCEL ID NUMBERS (PROPERTIES WITHIN THE TAD)**

Parcel I.D.	Owner	Acres	Appraised Value	Assessed Value
109 0010 001	Swift Textiles LLC	85.39	\$ 8,490,060	\$ 3,396,024
109 001 018	Columbus Georgia	185.11	\$ 2,268,200	\$ -
109 001 015	Columbus Georgia	13.42	\$ 161,000	\$ -
109 001 0156	State of Georgia	3.1	\$ 62,000	\$ -
109 001 006	Department of Transportation	2.18	\$ 13,080	\$ -
<b>Total</b>		<b>289.2</b>	<b>\$ 10,994,340</b>	<b>\$ 3,396,024</b>



**APPENDIX B. COLUMBUS CITY COUNCIL**



Teresa Tomlinson, Mayor



Isaiah Hugley, City Manager



Jerry "Pops" Barnes, District 1  
Glenn Davis, District 2  
Bruce Huff, District 3  
Evelyn Turner Hugh, Mayor Pro Tem, District 4  
Mike Baker, District 5

Gary Allen, District 6  
Evelyn "Mimi" Woodson, District 7  
Walker Garrett, District 8  
Judy Thomas, District 9 at Large  
Berry "Skip" Henderson, District 10 at Large

**APPENDIX C. MUSCOGEE COUNTY SCHOOL SYSTEM, BOARD OF EDUCATION**



Patricia Hugley Green, Board Chair, District 1  
John Thomas, District 2  
Venessa K. Jackson, District 3  
Naomi Buckner, District 4  
Laurie C. McRae, Board Chair, District 5  
Mark Cantrell, District 6

Mark Cantrell, District 6  
Cathy Williams, District 7  
Frank Myers, District 8  
Kia Chambers, Vice-Chair, At Large  
  
David F. Lewis, Superintendent of Education