

# The Redevelopment of Metro Atlanta



Using Transit-Oriented Development to  
Balance Jobs and Housing

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## INTRODUCTION

Atlanta is a thriving city that continues to grow year after year. The Atlanta Regional Commission forecasts that the region will grow by 2.3 million people in the next 25 years.<sup>1</sup> Atlanta has several distinct districts, such as Buckhead, Midtown, and Downtown. But just as all of these districts are unique in character, they are also unique in the issues they face. Some of these issues include:

- An imbalance between available housing and major employment centers;
- A mix of housing sizes, types, and income levels within neighborhoods;
- A lack of affordable housing;
- A lack of pleasant community gathering spaces;
- Areas/neighborhoods in need of revitalization;
- Unattractive commercial or shopping areas;
- Unattractive sprawl development/visual clutter along roadways; and
- Vacant sites close in to town.

These issues hinder some of Atlanta’s most distinct districts from becoming well-balanced communities. Redevelopment is needed in order for these districts to meet their full potential.

### *Transit Oriented Development (TOD)*

The Center for Transit-Oriented Development and Reconnecting America has defined Transit-Oriented Development as “using transit investments to spur a new wave of development that improves housing affordability



**Figure 1: An example of Transit Oriented Development**

and choice, revitalizes downtowns and urban and suburban neighborhoods, and provides value capture and recapture for individuals, communities and transportation agencies.”<sup>2</sup>

In effect, the center has defined a way to reorganize the built environment to operate more efficiently. By orienting development and housing around transportation nodes, commuting distances and costs are reduced and money is saved by both individuals and governments. Additional benefits include decreased traffic congestion, decreased air and noise pollution, and an increased quality of life for the areas residents. Developers can capitalize on existing infrastructure, reducing their development costs and concerns. As a result, there is an increase in the efficiency and equitability of transportation options.

### *Site Selection Criteria*

To focus our project on certain areas within the Atlanta metropolitan region, we used the idea of TODs combined with GIS information to identify areas that can incorporate these ideas into policies, codes, and actual development. To do so, we created selection criteria for underdeveloped parcels: within ½ mile of a highway, within a ¼ mile of transit, and located within a job center. Studies of the areas influenced the decisions of the project to balance the jobs and housing in a way that creates a greater capture of people living and working in the same job center.

The “live, work, play” philosophy may sound very appealing in theory, but in reality it tends to be unrealistic when it comes to its application. However, by diversifying types of housing options and the range of jobs available, the ability for people to live and work in the same job center is increased and becomes more feasible. This serves as the main focal point of our project.

We have identified three areas in which to focus our redevelopment efforts: Buckhead, Downtown, and East Point. These areas have distinct problems that must be

addressed if they are to be redeveloped into well-balanced communities that fit within the Atlanta region and its goals. Some of these goals we will focus on are: diversity of mixed-income residential neighborhoods, employment, shopping and recreation choices at the activity center, town center, and corridor level; access to a range of travel modes including transit, roadways, walking and biking to enable access to all uses within the area; processes that promotes the involvement of all stakeholders involved in the development.<sup>3</sup> In order to accomplish these goals we used Transit Oriented Developments (TODs) in an attempt to balance job and housing opportunities in our three selected areas. The Buckhead Community Improvement District and Downtown Atlanta were identified as areas in which to promote a wider spectrum of housing options. East Point, on the other hand, was identified to have an adequate housing supply yet needed an increase in job options.

## **BUCKHEAD**

### *Background and Issues of the Redevelopment*

Buckhead is an area known for its mansions, malls, bars, hotels, and restaurants. It has a reputation and a character all its own and has recently decided to return that classy, high-



**Figure 2: The Buckhead Skyline**

end lifestyle atmosphere to the area. This goal, which may seem completely legitimate, is actually only achieved to the detriment of individuals seeking low to moderate-income housing. According to the U.S. Department of Housing, low income housing is defined as housing that is affordable for either home ownership or rental, and that is occupied,

reserved, or marketed for occupancy by households with a gross household income that does not exceed fifty percent of the median gross household income for households of the same size within the city of Atlanta in which the housing is located. Moderate-income housing is when gross household income is greater than fifty percent but does not exceed eighty percent of the median gross household income.<sup>4</sup>

Revitalization of old Buckhead places the burden of providing affordable housing on surrounding areas. Government officials, developers, and Buckhead residents are consciously attempting to eliminate the low to moderate-income areas from Buckhead. Some areas are being demolished and redeveloped to increase the tax base with mixed-use development, while others are being developed on vacant parcels. Just as in the Mt. Laurel case,<sup>5</sup> Buckhead does not want to participate in developing affordable housing, and therefore placing the burden of development on surrounding areas. Because Buckhead will not voluntarily provide affordable housing, various tools must be used to remedy the situation to create a more balanced community.

Buckhead is classified as a Regional Center—an area of intense retail, office and residential uses. The various uses can be integrated or separate. Regional Centers have a higher density of residential uses but lower job densities than a central city.<sup>6</sup> Unlike other Regional Centers, Buckhead has areas of high job density, yet not as dense as Downtown Atlanta. It currently has several areas with high tax base single family homes on streets such as West Paces Ferry, Tuxedo Road, Habersham Road, and Northside Drive. Numerous high-rise condos have dotted the skyline for years and their numbers have been augmented recently with still several others currently in the works. It may seem like

Buckhead has several housing options, but the market is missing certain housing elements to allow it to be a flourishing and well-balanced community.

As part of the EnVision6 Regional Development study, several developers were polled to see what they recommended be built in a Regional Center. These developers strongly recommended that the Buckhead Regional Center is best suited for mixed use developments such as a city center, high residential mixed use, or activity center mixed use. The residential areas are strongly recommended for town homes and residential small lot. Developers do not see the missing element of low to moderate-income housing, but rather an increased tax base.

#### *Buckhead Community Improvement District (CID)*

The Buckhead CID is a taxation entity of the city of Atlanta and is enabled by the Georgia Constitution, Article 9, Section 7, the Atlanta Community Improvement District Act, 1991 Ga. L. 3653.<sup>7</sup> The CID was also amended by the Atlanta City Council Resolution 99-R-1154, July 6, 1999. The taxation revenues for the CID are generated by receiving three mils of the assessed land value of property in property tax revenue from non-residential property located within the boundaries of the district itself. Included in the abilities of the district are the abilities to “expend funds, incur debt and contract with public and private entities for the provision of certain government services and facilities”.<sup>8</sup> The government services and facilities include: construction and maintenance of local, collector, and arterial streets; public transportation; parking facilities; and other such services that are provided by general law.<sup>9</sup>

Included within the CID are several special public interest district ordinances in the Buckhead area that are intended to provide increased scrutiny and guidance to provide the desired outcomes of the areas. The stated intents are good for the districts with a special review process for the districts set in place. However, the requirements are vague in nature and are not strong enough to but demands for specific types of housing on developers.

The issue with the Buckhead CID and housing is not that it is economically deteriorated. Actually, the opposite holds true and it is able to support a large amount of moderate and high-end housing options. The problem is that this type of market excludes any incentives to produce low and moderate-income housing options. Developers will consider producing low- and medium-income level housing when provided with incentives or tax breaks to offset any loss in revenue in the production of the low and medium housing stock. Benefits of providing low and moderate housing options is in reducing traffic congestion, provides a balanced community, and decreases traffic related pollution, both noise and air. With the amount of service level jobs, capturing these employees will help with traffic costs and provide for a healthier environment.

### *Goals of the Redevelopment*

We want to stabilize the workforce and their housing options while also maintaining the community's character. In doing so, we could either require the construction of affordable housing as a portion of new development within the community or create incentives for the provision of affordable housing as a portion of certain new development within the community. We opted to use incentives rather than mandatory regulations to minimize any legal complications. Our proposal will also



attempt to implement the affordable housing goals, policies, and objectives contained in the City of Atlanta's comprehensive plan. Ultimately, we want to ensure the opportunity of affordable housing for employees of businesses that are located in or will be located in the community and maintain a balanced community that provides housing for people of all income levels.

### *Tools to Encourage Affordable Housing*

Development against the vision of current Buckhead residents to maintain the high-end community would certainly create opposition. However, neighborhood opposition to affordable housing may be reduced by either requiring that it be designed to blend in with the current surroundings, by involving neighborhood residents in design decisions, or both.<sup>10</sup> The Buckhead Village and Community Improvement District has been created to regulate development in Buckhead. In order to keep these development plans intact, what we suggest are areas just outside these zones to provide for some of the low to moderate income housing options to minimize opposition and also give the developers incentives to build this mixed-income housing. Also, existing housing units, namely apartments or condos, could be given tax incentives or a density bonus for providing a certain percentage (between five and ten percent) to be designated for low to moderate income owners or renters. We would keep the percentage relatively low to keep the character of the neighborhoods the same allowing the new residents to blend in with the surrounding community and to keep current residents from leaving as a result of the lower income residents moving in. This idea is supported by federal law, which backs inclusionary land use regulations through the Fair Housing Act. Locating affordable

housing throughout the community will allow people of different incomes to live near where they work, thereby helping reduce traffic congestion as well as several other previously mentioned benefits.

According to the Center for Transit Oriented Development (CTOD), there are several tools available to encourage affordable housing. These tools include direct Low Income Housing Tax Credit (LIHTC), land banking and community land trusts, reducing parking requirements, and increased densities. By including LIHTC directly into a TOD's regulations, it creates an incentive for developers by being able to produce something at market value that would otherwise not have had a financial incentive. Land Banking and Community land trust are probably less realistic in Buckhead. They are mainly used for the preservation of environmental land. Reducing the parking requirements and increasing densities both accomplish similar objectives. By allowing the developer to have a greater density and less parking, stipulations can be included to provide affordable housing within there development and the increase in the number of units produced can be used to subsidize the affordable housing.

The CTOD also suggests some tools for maintaining affordable housing once it is built. These tools include tax breaks for rental owners, down payment assistance for 1<sup>st</sup> time homebuyers, rehab revolving loan funds, and property tax exemptions for existing homeowners. Tax breaks would allow rental owners to lower their rental rates and/or put money towards maintenance. The down payment assistance for 1<sup>st</sup> time homebuyers allows people who are on the edge of being able to afford purchasing their home to be able to accomplish their purchase. Finally, if some are concerned that rental properties

will bring down home values, a revolving loan fund may be a solution to provide funding to rental property owners for general maintenance and upkeep costs.

### *Density Bonus Incentive<sup>11</sup>*

An incentive based approach in which a density bonus of one market rate unit for each affordable unit is offered can help increase affordable housing units available in the Buckhead area. The affordable housing density bonus is offered for all types of residential construction. The stipulations would be that any development wanting to receive the density bonus and containing four dwelling units or more shall include at least ten percent of all units in a development as affordable housing. Also, they may receive a proportional density bonus by doing one or more of the following:

- Include one additional affordable housing dwelling unit in the development
- Convert a market rate unit to an affordable housing unit
- Provide one affordable housing unit off site
- Provide a cash payment to a Buckhead affordable housing trust fund proportional to the number of market rate units proposed.

The requirements for the units shall be the following:

- Affordable housing units shall be mixed with, and not clustered together or segregated in any way from, market-rate units.
- The exterior appearance of affordable housing units shall be made similar to market-rate units by the provision of exterior building materials and finishes substantially the same in type and quality.

### *Legal Tools*

Several Georgia laws would help support our redevelopment efforts. Georgia's redevelopment laws provide various options for the exercise of urban redevelopment. Both cities and counties can exercise urban redevelopment through state enabling legislation called the Urban Redevelopment Law.<sup>12</sup> The Redevelopment Powers Law<sup>13</sup>

allows for tax increment financing (referred to in the law as tax allocation districts). The law is complex and requires additional authority (local approval and state legislation). The Urban Redevelopment Law specifically encourages voluntary (private) renovation where possible.<sup>14</sup>

## **DOWNTOWN**

### *Background and Issues of the Redevelopment*

The epicenter of Downtown Atlanta is the intersection of Peachtree Street and Andrew Young International Boulevard and encompasses a four square-mile area. The downtown district is bounded by North Avenue on the North, Northside Drive on the West, Interstate-20 on the South and Boulevard Street on the East. Downtown represents Atlanta's densest employment center accounting for nearly 140,000 of the region's jobs<sup>15</sup> yet only represents 2.2% of the city's population of 416,000.<sup>16</sup> As such, downtown Atlanta represents the region's largest jobs-housing imbalance.



**Figure 3: View of Downtown Atlanta from Centennial Olympic Park**

Downtown's largest employment sectors include: services, government, manufacturing, finance, insurance and real estate, and communications. Although Downtown Atlanta boasts more than 16.5 million square feet of office space, the greatest in the region, it also has the highest vacancy rates of 17.7%, 21.3% and 30.8% for Class

A, Class B and Class C office space, respectively.<sup>17</sup> Additionally, downtown has approximately 1.6 million square feet of retail space, of which 20.5% is consistently vacant.<sup>18</sup> Downtown Atlanta represents the region's most economically blighted areas. As the preceding vacancy rates illustrate, approximately one in five buildings downtown could be entirely vacant.

### *Policy Options*

Incentives and growth management policies to encourage housing development in downtown could be the key to revitalize the area, reduce crime and provide compact, mixed-use developments conducive to transit ridership and alternative modes. To encourage residential development, and more broadly downtown redevelopment, a number of zoning reforms could be employed. These consist of performance zoning, design-based zoning, and incentive zoning.

The current zoning in downtown predominantly represents Euclidean zoning whereby land uses are geographically separated standards are placed on building dimensions, height and the magnitude of development on each parcel. Downtown is zoned within three "Special Public Interest" districts. These districts include SPI-1 covering most of the downtown area, SPI-2 covering the area around the North Avenue Marta station, and SPI-13 covering the area around Centennial Olympic Park.<sup>19</sup>

Generally speaking, the problems associated with downtown Atlanta (high-crime, lack of housing, lack of new development) is a product of the city's antiquated SPI-1 zoning designation. In Atlanta's municipal code, SPI-1 is defined as the "central core district." The intent of SPI-1 is:

1. to preserve and protect the hub of the Atlanta metropolitan area,
2. encourage the development of major office uses,
3. encourage the maintenance and expansion of this area as a retail center,
4. encourage the development of high-intensity housing,
5. encourage highest densities of development at mass transit locations,
6. maximize the advantages of mass transit, and
7. facilitate safe and convenient pedestrian circulation.

The code specifies 34 acceptable uses in the downtown district.<sup>20</sup> There are two problems with the code as it is presently written. First, it does not enumerate any acceptable housing uses (except single room occupancy residences and one and two family multi-family dwellings) and second, it contains a number of locally undesirable land uses (LULUS) which can be inappropriate for encouraging desirable mixed-use development downtown and improving the safety of the locale.<sup>21</sup> A few of these uses allowed by the present zoning which should be entirely prohibited include:

1. “Manufacturing, wholesaling, repairing, compounding, assembly, processing, preparation, packaging or treatment of articles, foods, components, products, clothing, machines and appliances and the like,”
2. “Sales and leasing agencies for new and used passenger automobiles, bicycles, mopeds and commercial vehicles,”
3. “Service and repair establishments with office equipment or installations; minor repairs to plumbing, heating or air conditioning installation, replacement of glass, roof repairs, and the like, home appliances, including radio and television, clock and watch repair, repair of shoes and leather goods, and print shops,”
4. Adult Businesses, and
5. Single Room Occupancy residences.

In addition to updating the permissible uses, to address the issues of high-crime, lack of housing, lack of new development, the City of Atlanta should quickly amend its development controls. Although the current SPI-1 zoning does not have height limitations, height is effectively limited through floor-to-area bulk restrictions, which limit the height of non-residential uses to 25 times the net lot area and 6.4 times the gross lot area for residential uses.<sup>22</sup> For example, if a developer wants to build a non-residential

use and only plans to build on half the lot, the maximum height effectively allotted on site is a 50-story building. As such, these bulk restrictions effectively limit the height of development, reducing both the profitability and desirability of development downtown. While the code also requires developers to adopt a pedestrian



**Figure 4: Raised Pedestrian Crosswalk**

circulation plan, developers are permitted to develop alternative pedestrian routes through or between buildings.<sup>23</sup> This is inconsistent with encouraging mixed-use (residential and commercial) development, reducing pedestrian movement between parcels and development sites and creating a dead street environment. Pedestrian bridges should be prohibited in the SPI-1 zoning. Lastly, almost all of the underdeveloped and undervalued parcels downtown are surface parking lots. SPI-1, in its current form, does nothing to encourage the redevelopment of these parcels nor provides any provision to address the long-term issues associated with the conversion of parking spaces for new development. Within the code there are no parking minimums for non-residential uses.<sup>24</sup> Given the heavy reliance on these surface lots for downtown offices and retail, a revised SPI-1 ordinance should both provide an incentive mechanism to convert these parking lots into residential and commercial uses and provide a long-term strategy for addressing the net loss of parking. This should be accomplished either through the addition of parking minimums, the allowance of parking structures as an acceptable use, or by some other means.

In addition to revising the existing Special Public Interest (Euclidean) zoning, a number of other zoning reforms could also be undertaken, many in conjunction with the existing Euclidean zoning practices. The first of these zoning reforms could be performance zoning which regulates the intensity of the land use within an area but not the building size, shape or dimensions. Performance zoning encourages development to comply with certain “outcomes” rather than specifying a design. These outcomes could include limits on hours of operations, noise restrictions or specifying that a building’s shadow does not create a canyon-effect. Performance zoning encourage development within the existing zoning framework by prescribing only minimal restrictions on development.

Design-based zoning applies restrictions on particular parcels based on their physical characteristics (including size, location, proximity, utilities etc.) to encourage a particular design outcome. Design-based zoning is particularly helpful in encourage or discouraging different types of urban design.

The last major type of zoning is incentive zoning which provides rewards to desirable development. Incentive zoning is the most appropriate type of zoning reform for Downtown because the need to provide incentives to encourage nearly any type of new development or redevelopment in the area. Enterprise zones are one form of incentive zoning because they provide tax incentives to property owners, developers and investors for development in blighted areas. Other incentives that could be provided include density bonuses, expedited review and approval, and so forth.



### *Recommendations*

We recommend two options to encourage the housing development and redevelopment in downtown Atlanta. The first of these options is to reform the existing Euclidean zoning of the area and rezone parcels as residential. However, this option lacks the long-term flexibility to changing market conditions. Therefore, an overlay district is the preferred method because it can preserve the existing commercial zoning while allowing provisions for residential zoning in a special district. This policy approach allows the market to determine which zoning is best and assists in preventing high vacancy rates and economic blight.

The second policy option is the use of multiple incentive, or incentive zoning to encourage housing development downtown. This could include density bonuses, the removal of density restrictions such as height, setbacks and floor-to-area ratios, or the use of an enterprise zone to provide tax relief to developers.

A combination of an overlay district with incentive zoning will probably be the most successful zoning policy for downtown because the overlay district addresses the long-term structural problem of over zoning for one land use and provides the market the flexibility to adjust between commercial and residential projects pending shifting market conditions. Incentive zoning, notably an enterprise zone, helps alleviate the lagging desirability for any development downtown by providing a financial incentive to developers. In some respects, this financial incentive can be viewed as providing compensation to the developers for building in a “less desirable” location.

## **THE CITY OF EAST POINT**

### *Background and Issues of the Redevelopment*

The City of East Point was originally the east terminus point on the Atlanta and West Point Railroad from West Point, Georgia.<sup>25</sup> The city served as a vibrant railroad town for many



**Figure 5: The City of East Point**

years and further developed with the construction of the MARTA rail line in the 1970s, connecting the city with downtown Atlanta.<sup>26</sup> However, despite East Point's proximity to downtown Atlanta, development continued to sprawl into areas outside of East Point, taking residents, workers and visitors with it.<sup>27</sup> The once active and vibrant railroad town became an area with a large housing stock yet few businesses or industries to provide for the residents of East Point.

As the 3<sup>rd</sup> largest city in Fulton County, the City of East Point has a population of 39,545 and a population density of 2,878.9 people per square mile.<sup>28</sup> There are 14,553 households in the City of East Point occupying 93.1% of the housing stock, leaving only 6.9% of the housing stock vacant.<sup>29</sup>

Despite the successful housing market, the city of East Point has lost its economic base of businesses and industry. The 17,300 jobs in East Point provide for less than half of the population and are composed of: retail trade (11.2%), transportation and warehousing (10.7%), accommodations and food services (9.0%), healthcare and social assistance (8.4%), construction (8.1%), and manufacturing (7.9%).<sup>30</sup> Because of the unbalanced ratio between jobs and housing, residents of East Point are forced to commute to work in other areas of Atlanta. There is a 12.1% (4,783 people) decrease in the

daytime population of the city due to commuting.<sup>31</sup> Of those residents who commute to work, 51.2% drive 10-29 minutes, while 32.2% drive 30-59 minutes.

There are three major employers within the City of East Point that have over 400 employees: South Fulton Hospital (healthcare), Owens Brockway Corporation (Glass Manufacturing), and the City of East Point (government).<sup>32</sup> Of the major employers with less than 400 employees, they are mainly composed of hospitality industries, such as the Crown Plaza Hotel, the Doubletree Hotel, and the Holiday Inn Airport Hotel.<sup>33</sup> This can be attributed to the city's close proximity to the Hartsfield-Jackson Atlanta International Airport.

Because of the imbalance between jobs and housing in East Point, residents are having to commute to jobs at the airport, downtown Atlanta, or elsewhere. The existing infrastructure, modes of transportation, proximity to Atlanta, and number of residents in East Point, along with the number of vacant, underutilized, and underdeveloped parcels, suggest that East Point could once again become the thriving city that it previously was.

#### *East Point Corridors Tax Allocation District (TAD)*

According to the Atlanta Development Authority, Tax Allocation Districts (TADs) “are a form of tax increment financing, a tool which is widely used by local governments to serve as a catalyst to further private investment into areas which are economically depressed or underdeveloped.”<sup>34</sup> An analysis was conducted on the City of East Point to determine the current condition of East Point, as well as the goals and affects a TAD would have on East Point. The analysis identified East Point's underachievement as an Employment Center because of the lack of professional and

business services offered in the City of East Point. The analysis also establishes that the closing of Fort McPherson and Ford Motor Company in the East Point area would lead to loss of purchasing power and a further increase in unemployment. Despite the disadvantages to the present job market in East Point, the East Point TAD Analysis identifies some of the advantages East Point has over other areas for job creation:

- East Point offers competitive rents within the Atlanta metro area;
- East Point already has 2 historic boutique office complexes—Wagon Works and Buggy Works; and
- Industrial and low-density buildings in East Point are slowly being replaced with high density office.



**Figure 6: Historic Buggy Works Office Building**

From this analysis, the City of Atlanta identified East

Point as an area in need of redevelopment and identified the goals of implementing a

TAD in East Point:

1. To further the City's goals of improving underdeveloped urban areas as well as of attracting desirable development, including professional jobs.
2. To provide funding that, in turn, will attract additional regional, State and Federal funding to allow improvements to land use, transportation, and recreational areas.
3. To realize the full economic potential of an increasingly urbanized community.
4. To increase employment opportunities for residents of the TAD area and surrounding East Point neighborhoods
5. To increase opportunities for market-driven residential and commercial development within the East Point Corridors area.
6. To overcome constraints to development generated by aged and obsolete commercial and residential structures, inefficient transportation infrastructure and inadequate physical connections to the surrounding community.
7. To maximize the tax revenue potential of the TAD area while achieving the basic goals of the East Point Corridors Redevelopment Plan.<sup>35</sup>

3 Major corridors within East Point were identified for redevelopment: Main Street, Cleveland Avenue, and Washington Road (See Appendix C).

### *East Point Main Street Program*

The City of East Point was one of 100 Georgia cities selected as a Main Street city by the Georgia Department of Community Affairs in 1999. The Main Street Mission states “to preserve and enhance the downtown area as the heart of East Point; communicating a sense of place, community pride, and heritage, while providing for a successful business and residential environment.”<sup>36</sup> Focused on revitalization through historic preservation and economic development, the Main Street Program focuses on four areas: promotion, design, economic restructuring, and organization.<sup>37</sup> The Main Street Board is composed of business owners, community stakeholders and professionals who have a commitment to downtown East Point.<sup>38</sup> The Main Street Program has helped restore the central business district of East Point to promote the city as an employment center and destination spot. However, there is much to be done with the program.



**Figure 7: Main Street Program Logo**

### *Business Associations and Services*

The City of East Point has been active in local East Point business associations and encourages the use of these business associations as a means of networking business owners in the city. The three main business organizations encouraging economic development in East Point include: East Point Business Association, Airport Area Chamber of Commerce, and the South Fulton Chamber of Commerce.<sup>39</sup> There are also

many services to promote the development of small businesses to “help entrepreneurs become established as business owners.”<sup>40</sup> These include the Women’s Employment Opportunity Project, Inc. (WEOP), Economic Development Corporation of Fulton County, Georgia Institute of Technology, BES (Business Enhancement Services, Inc.), Action USA, and Tech Corps of Georgia.

### *Goals of Redevelopment*

Despite efforts by the City of East Point and the City of Atlanta to encourage business growth and development in the East Point, businesses are still hesitant to establish themselves in East Point because of the overall lack of development in the city. We want to establish the City of East Point as a regional jobs center while maintaining the community’s historic character.

### *Incentives and Policies to Encourage Business Growth and Job Creation*

Despite the numerous programs currently in place in East Point, job creation in the city has dramatically lagged behind creation of workforce housing. Also importantly, at least insofar as this report is concerned, the city of East Point has not taken advantage of its proximity to transit, namely MARTA and Interstate 20. Thus, the two incentive programs suggested and discussed below are designed intentionally to address the lack of job creation in East Point and also to capitalize on the city’s proximity to MARTA and Interstate 20. The two proposals consist, generally, of the adaptation of one existing Georgia program and the adoption of a Florida program (i.e. The Enterprise Zone Program and the Urban High-Crime Area Job Tax Credit Program, respectively).

### *Adaptation of the Enterprise Zone Program*

According to the stated legislative intent of the current Enterprise Zone Program, the purpose of the program is to “improve geographic areas within cities and counties which are suffering from disinvestment, underdevelopment, and economic decline and will encourage private businesses to reinvest and rehabilitate such areas.”<sup>41</sup> The program provides a number of incentives for qualifying business; including: exemption from property taxes according to the following schedule:

- a. One hundred percent of the property taxes shall be exempt for the first five years;
- b. Eighty percent of the property taxes shall be exempt for the next two years;
- c. Sixty percent of the property taxes shall be exempt for the next year;
- d. Forty percent of the property taxes shall be exempt for the next year; and
- e. Twenty percent of the property taxes shall be exempt for the last year,<sup>42</sup> and “an exemption or abatement from occupation taxes, regulatory fees, building inspection fees, and other fees that would otherwise have been imposed on a qualifying business.”<sup>43</sup>

In order for a parcel to qualify for the incentives provided by the Enterprise Zone Program, the parcel must meet three of the four following criteria:

- a. Pervasive poverty shall be evidenced by showing that poverty is widespread throughout the nominated area and shall be established by using the following criteria:
  1. The poverty rate shall be determined from the data in the most current United States decennial census prepared by the U.S. Bureau of Census;
  2. For each census geographic block group within the nominated area, the ratio of income to poverty level for at least 20 percent of the residents shall be less than 1.0;
  3. Census geographic block groups with no population shall be treated as having a poverty rate which meets the standards of paragraph (2) of this subsection; and
  4. All parcels of a nominated area must abut and may not contain a noncontiguous parcel, unless such nonabutting parcel qualifies separately under the criteria set forth under paragraph (2) of this subsection.

- b. Unemployment shall be evidenced by the use of data published by the Office of Labor Information Systems of the Georgia Department of Labor indicating that the average rate of unemployment for the nominated area for the preceding calendar year is at least 10 percent higher than the state average rate of unemployment or by evidence of adverse economic conditions brought about by significant job dislocation within the nominated area such as the closing of a manufacturing plant or federal facility;
- c. General distress shall be evidenced by adverse conditions within the nominated area other than those of pervasive poverty and unemployment. Examples of such adverse conditions include, but are not limited to, a high incidence of crime, abandoned or dilapidated structures, deteriorated infrastructure, and substantial population decline;
- d. Underdevelopment shall be evidenced by data indicating development activities, or lack thereof, through land disturbance permits, business license fees, building permits, development fees, or other similar data indicating that the level of development in the nominated area is lower than development activity within the local governing body's jurisdiction;
- e. General blight within the nominated area shall be evidenced by the inclusion of any portion of the nominated area in an urban redevelopment area as defined by paragraph (20) of Code Section 36-61-2 for which an urban redevelopment plan has been adopted by the affected governing bodies according to the requirements of Chapter 61 of this title.<sup>44</sup>

Although the selection criteria are presumably sufficient for identifying parcels that need general redevelopment, they are both under-inclusive and over-inclusive as a response to the issue facing in East Point. However by creating an alternative set of criteria, the Enterprise Zone Program can be easily adapted to respond to the issues faced in East Point (i.e. the need for job creation and the desire to capitalize on existing transportation infrastructure). Thus, the proposed adaptation of the Enterprise Zone Program consists of simply adding a second alternative set of criteria that are identical to the parcel selection criteria for this report generally:

1. Underdeveloped and Undervalued Parcels Identified in GIS
2. Close access to transit (defined by ¼ mile radial walking distance)
3. Close access to highway (defined by < 2 miles driving distance)
4. In an area with a substantial Jobs-Housing Imbalance.



### *Urban High-Crime Area Job Tax Credit Program*

The Florida Urban High-Crime Area Job Tax Credit Program was designed to encourage capital investment and job creation in Florida neighborhoods plagued by high crime rates. In order to accomplish this goal, the Florida program, like the Enterprise Zone Program discussed above, selects parcels based on a set of criteria; specifically:

1. Highest arrest rates within the geographic area for violent crime and for such other crimes as drug sale, drug possession, prostitution, vandalism, and civil disturbances;
2. Highest reported crime volume and rate of specific property crimes such as business and residential burglary, motor vehicle theft, and vandalism;
3. Highest percentage of reported index crimes that are violent in nature;
4. Highest overall index crime volume for the area; and
5. Highest overall index crime rate for the geographic area.<sup>45</sup>

However, the Florida selection is not simply Boolean, but rather the geographic areas are ranked based on the criteria, then grouped into three tiers based on their ranking. Parcels located within the top three tiers are provided the following incentives:

- A new eligible business in a tier-one qualified high-crime area which has at least 10 qualified employees on the date of application shall receive a \$ 1,500 tax credit for each such employee.
- A new eligible business in a tier-two qualified high-crime area which has at least 20 qualified employees on the date of application shall receive a \$ 1,000 tax credit for each such employee.
- A new eligible business in a tier-three qualified high-crime area which has at least 30 qualified employees on the date of application shall receive a \$ 500 tax credit for each such employee.<sup>46</sup>

Like the selection criteria for the Enterprise Zone Program, the selection criteria for the Urban High-Crime Area Job Tax Credit Program, would be both under-inclusive and over-inclusive to address the issues of East Point. However, the Urban High-Crime Area Job Tax Credit Program can also be useful to the issues of East Point if the program is adopted with the selection criteria for this report exchanged with the selection criteria in the original program.

### *Legal Issues*

Although the above discussed proposals would address the issues facing the city of East Point, in theory, they still must overcome all legal hurdles in their path. Fortunately, the programs are both incentive based programs and thus avoid the typical legal obstacles faces by many land use tools, such as takings, exaction and etcetera. However, on legal issue may remain for incentive based land use planning tools; the dormant commerce clause. Generally the United State Constitution grants the power to regulate interstate commerce in the hands of the federal legislature and by converse the states are specifically denied the power to regulate such commerce.<sup>47</sup> Thus, a state program, such as the two proposed above, that attempts to regulate interstate commerce would run afoul of the dormant commerce clause and leave the program constitutionally afflicted. Fortunately for state incentive plans, the Supreme Court has not struck done land use planning tools for their violations of the dormant commerce clause and in fact such incentive programs are quite ubiquitous.<sup>48</sup>

**APPENDIX A:  
GROUP RESPONSIBILITIES**

**INTRODUCTION**.....

    TRANSIT ORIENTED DEVELOPMENT (TOD) .....Brad  
    SITE SELECTION CRITERIA .....Brad

**BUCKHEAD** .....

    BACKGROUND AND ISSUES OF REDEVELOPMENT ..... Brad and Drew  
    BUCKHEAD COMMUNITY IMPROVEMENT DISTRICT .....Brad  
    GOALS OF REDEVELOPMENT ..... Drew  
    TOOLS TO ENCOURAGE AFFORDABLE HOUSING ..... Brad and Drew  
    DENSITY BONUS INCENTIVE..... Drew  
    LEGAL TOOLS..... Drew

**DOWNTOWN** .....

    BACKGROUND AND ISSUES OF REDEVELOPMENT .....Adam  
    POLICY OPTIONS .....Adam  
    RECOMMENDATIONS .....Adam

**CITY OF EAST POINT**.....


    BACKGROUND AND ISSUES OF REDEVELOPMENT ..... Amy  
    EAST POINT CORRIDORS TAX ALLOCATION DISTRICT (TAD) ..... Amy  
    EAST POINT MAIN STREET PROGRAM..... Amy  
    BUSINESS ASSOCIATIONS AND SERVICES ..... Amy  
    GOALS OF REDEVELOPMENT ..... Patrick  
    INCENTIVES AND POLICIES TO ENCOURAGE BUSINESS GROWTH  
        AND JOB CREATION..... Patrick  
    ADAPTION OF THE ENTERPRISE ZONE PROGRAM ..... Patrick  
    URBAN HIGH-CRIME AREA JOB TAX CREDIT PROGRAM ..... Patrick  
    LEGAL TOOLS..... Patrick

**PRESENTATION**.....


    POWER POINT PRESENTATION ..... Amy  
    WRITTEN REPORT ..... Amy

## APPENDIX B: ENVISION6 REGIONAL DEVELOPMENT MATRIX

	Mixed Use				Single Use Employment			Parks
								
	City Center	High Residential Mixed Use	Activity Center Mixed Use	Town Center Mixed Use	General Commercial	Office Park	Industrial	Regional Parks
Residential Density per acre	40	80	30	15				N/A
Job Density per acre	180	25	70	13	13	40	9	
Average Height	8 to 50	8 to 50	5 to 40	2 to 5	1 to 4	2 to 4	1	
<b>Regional Places</b>								
Central City								
Regional Centers								

 Conditionally Recommended

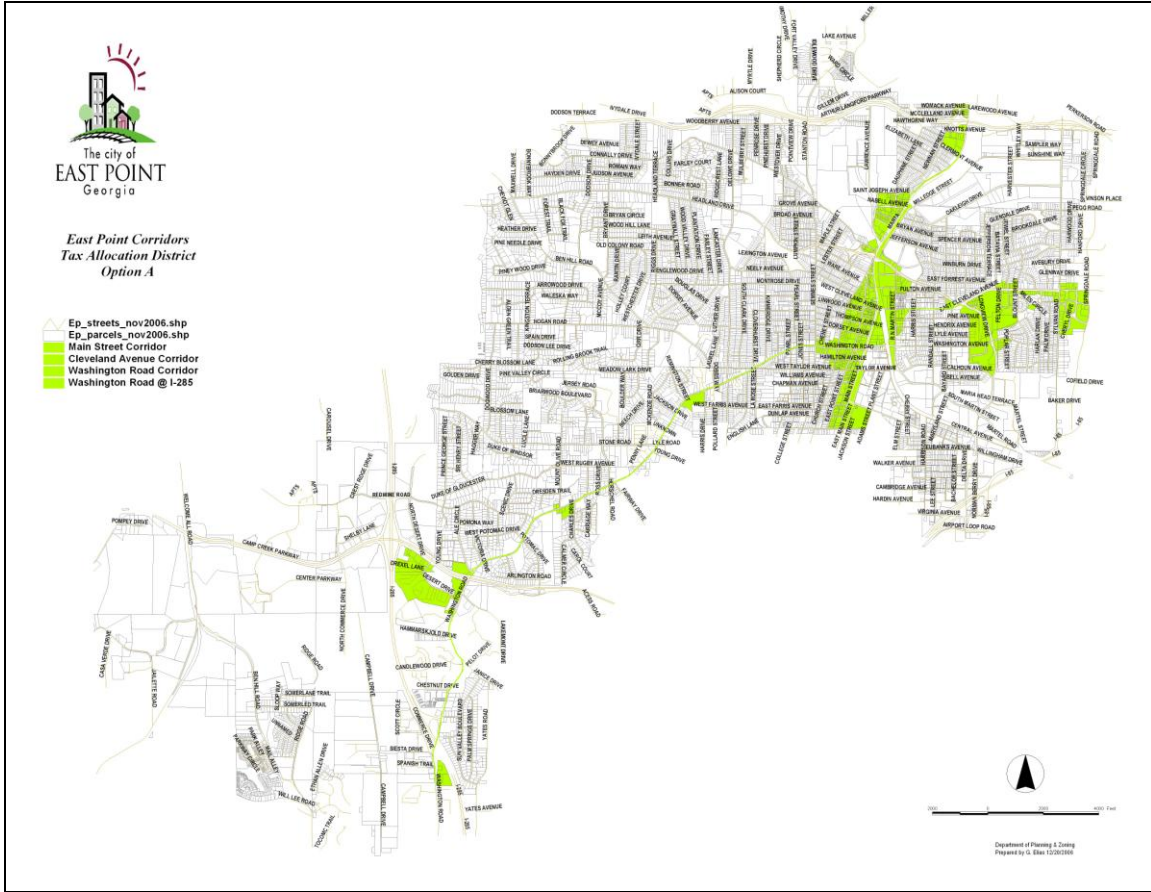
Recommended if appropriate contextual development is proposed.

 Strongly Recommended

Recommended development for Regional Places.

<b>Regional Centers</b>	Regional Centers are areas of intense retail, office and residential uses. The uses can be integrated or separate. They have a higher density of residential uses but lower job densities than a Central City. Buckhead and Cumberland are examples of a Regional Center in the Atlanta region.
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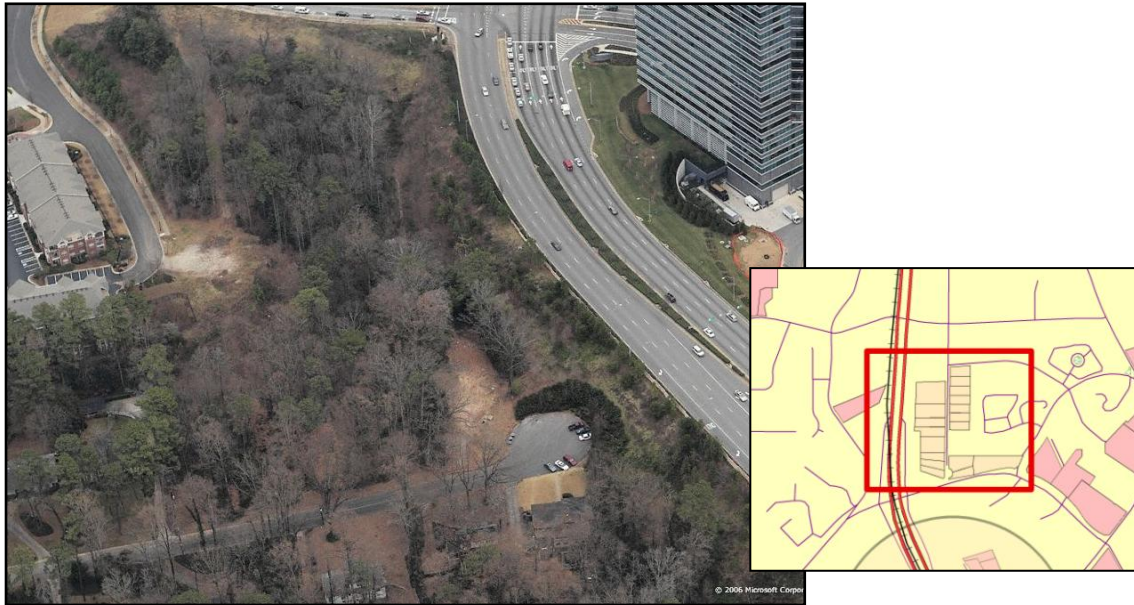
# APPENDIX C: EAST POINT TAX ALLOCATION DISTRICT (TAD) MAP



APPENDIX D:  
VACANT, UNDERUTILIZED OR UNDERDEVELOPED  
PARCELS IN BUCKHEAD



Development Site #1-  
Buckhead Triangle



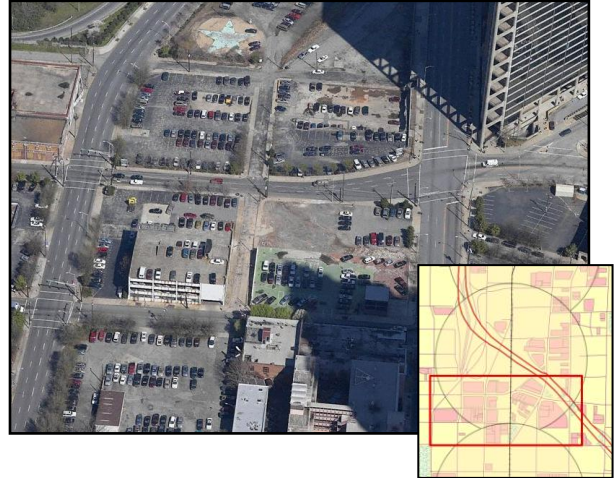
Development Site #2-  
Corner of Lenox Road and GA 400



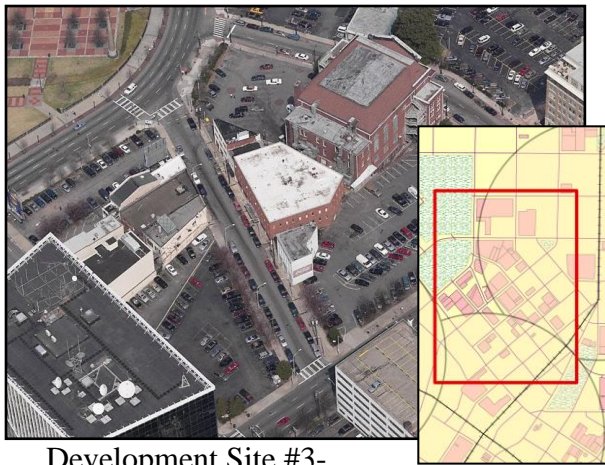
APPENDIX D:  
VACANT, UNDERUTILIZED OR UNDERDEVELOPED  
PARCELS IN DOWNTOWN ATLANTA



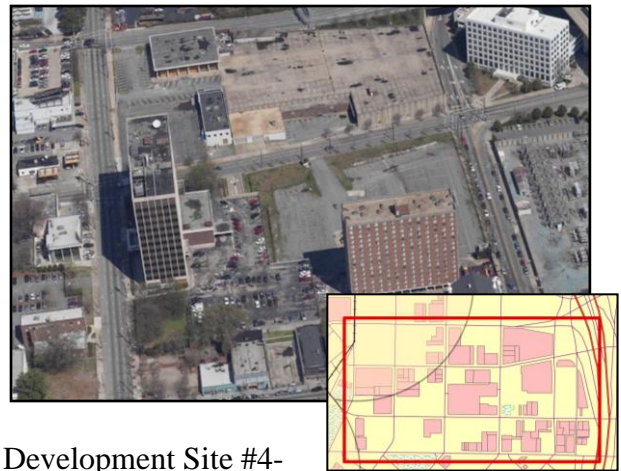
Development Site #1-  
Pine Street and Courtland Avenue



Development Site #2-  
Spring Street and West Peachtree Place



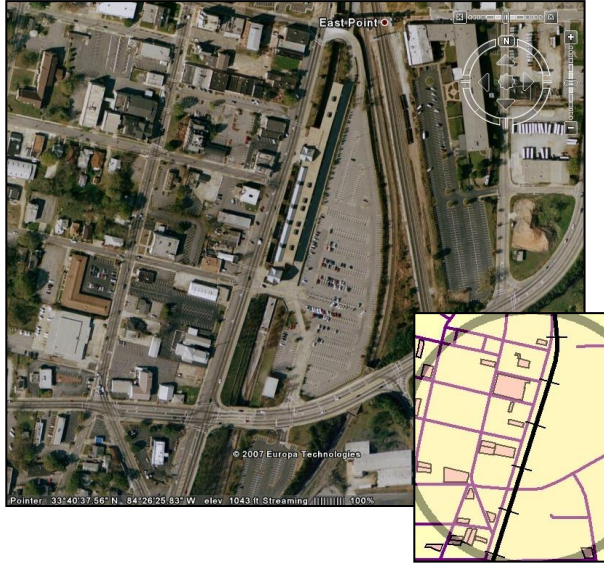
Development Site #3-  
Pine Street & Courtland Avenue



Development Site #4-  
John Wesley Dobbs Road & Piedmont Road



APPENDIX E:  
VACANT, UNDERUTILIZED OR UNDERDEVELOPED  
PARCELS IN EAST POINT, GEORGIA



Development Site #1-  
Main Street



Development Site #2-  
Cleveland Avenue



Development Site #3-  
Church Street



Development Site #4-  
Washington Road



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- <sup>21</sup> City of Atlanta Municipal Code 1977, § 16-18A.003
- <sup>22</sup> City of Atlanta Municipal Code 1977, § 16-18A.007
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