

**LOCAL**      MARCH 11, 2016 11:09 AM

# What are TADs, and how do they help blighted areas?

## HIGHLIGHTS

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Atlantic Station in Atlanta a good example

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Council to consider three more Tuesday

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Those include Liberty District, Uptown, City Village

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Tax Allocation Districts, or TADs, have been around in Georgia since the mid-1980s and have fueled some impressive developments.

But the ability to use them in Columbus has been around only since 2014, when voters approved a referendum allowing their use, about seven years after a similar referendum narrowly failed.

Voters approved their use in late 2014, but Columbus Council did not get a chance to consider a TAD until late last year, when councilors unanimously approved one for a proposed Fort Benning Technology Park.

The proposed development covers 183 acres between I-185 and Fort Benning. The area will become accessible for the first time when improvements are made at the interchange of 185 and Custer Road.

Then the TAD would allow developers to overcome infrastructure and access shortcomings and other problems making it unattractive for developers.

Backers of the TAD hope the project could eventually increase the taxes that the city and schools get from the land from \$2.3 million a year to \$47.5 million.

## **How do TADs work?**

So, what exactly is a TAD and how do they stimulate development in otherwise blighted areas avoided by developers and investors? Simply put, they are designed to make areas more attractive for investment by devoting public funds to them.

Once a city or county establishes a TAD, revenue bonds can be issued to remedy infrastructure and environmental problems and other issues that might keep potential developers at bay. The renovations pave the way for investors to develop commercial and residential projects that increase revenue and can create jobs.

The extra tax revenue created by the development is then used to repay the revenue bonds over the life of the TAD, usually 20-30 years. Then the extra revenue goes into city and school district coffers. During the life of the TAD, the city and schools receive the same property tax proceeds from the district that they would have received otherwise, so TADs do not cut into existing revenue.

One of the most celebrated and successful TADs in Georgia is Atlantic Station, near the Georgia Tech campus in Atlanta. It was once a huge and shuttered Atlantic Steel mill, dilapidated and with more than 100 acres of land rife with environmental challenges.

Atlanta created a TAD for the site in 1999. Bond money was then used to erect a bridge across Interstate 75/85 to connect the development to Peachtree Street and downtown. In addition to environmental cleanup, the bond money also helped finance sewer lines, roads and sidewalks that helped attract investors and developers.

The result is easily visible to people driving through the heart of the city on the interstate: a thriving 138-acre residential and commercial development that will, when the TAD expires, greatly increase the city's tax base.

## **Coming Tuesday, a vote?**

Council is poised to decide on three more proposed TADs, which were presented at the same time as the Fort Benning Technology Park but put on the back burner until after the holidays. Discussions on the three have bounced around council since then, but that discussion could come to a head at next week's council work session, set for 9 a.m. Tuesday.

The other three TADS involve the Liberty District, Uptown and the area between TSYS and Bibb City for the creation of City Village.

The Liberty District TAD involves 599 parcels on 296 acres along the Sixth Avenue corridor, with a fair market value of \$130 million and taxable value of \$27 million.

The Uptown TAD involves 389 parcels on 194 downtown acres with a fair market value of \$339 million and taxable value of \$48 million.

The City Village TAD involves 990 parcels on 370 acres between TSYS and Bibb City, with a fair market value of \$106 million and taxable value of \$30 million.

Some councilors have questioned the need for the Uptown TAD, pointing out that the area is enjoying considerable success without one.

Mayor Teresa Tomlinson said the other two are textbook examples of blighted areas. The Uptown area falls into the category of “under-utilized.”

“We think of the 1100 block as being very vibrant, but we sort of forget sometimes that it’s sitting on top of really old infrastructure, as we’re seeing with the 11<sup>th</sup> Street problems,” Tomlinson said. “Any one block down there could cause a serious situation down there, disrupting that area. And then of course you have underutilized and vacant lots sprinkled throughout it.”



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