



BUCKHEAD COUNCIL
of NEIGHBORHOODS

Tax Allocation Districts (TADs) in Atlanta: An Overview

Buckhead Council of Neighborhoods

What is a TAD?



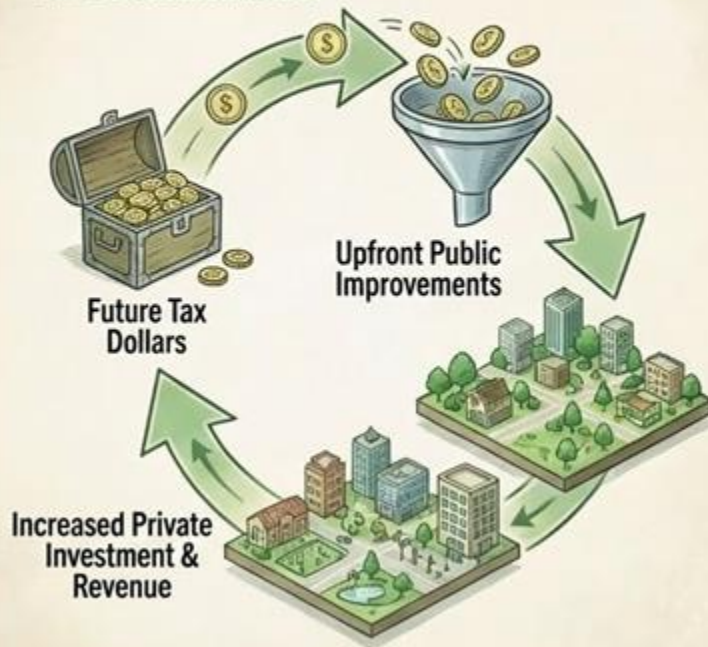
Definition

A Tax Allocation District (TAD) is a tool designed to spur economic development and revitalization in specific, designated areas that are typically blighted, underdeveloped, or economically depressed.

Mechanism

The core mechanism allows a city to invest the future tax dollars of a distressed area back into that area today, paying for upfront costs of public improvements, accelerating the area's transformation into a thriving, revenue-generating community.

Mechanism



What is a TAD? (cont.)

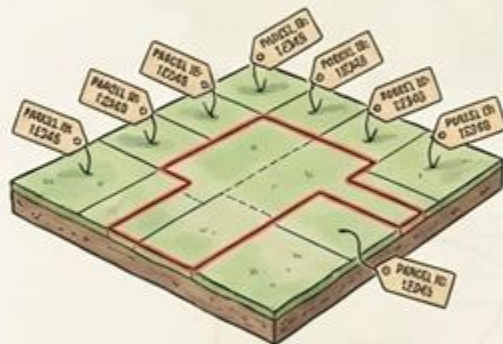
Key Characteristics of a TAD:

Place-Based Development



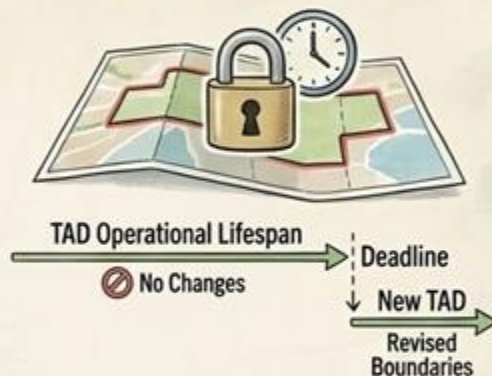
A TAD is established to implement a specific Redevelopment Plan for its area. The funds generated within the district are generally required to be spent within or for the direct benefit of that district.

Tied to Parcels



The TAD boundary is not a general line; it is officially designated using the unique identifier for every tax parcel (or property lot) that falls within the district's footprint. This specificity is necessary for the tax system to accurately track the value and increment generated by each property.

Fixed Boundaries



The TAD's boundaries cannot be changed or amended during its operational lifespan. The only legal way to alter the area is to close the existing after all bonds are retired and establish a new TAD with revised boundaries.

Key Purposes and Functions of TADs



Catalyze Redevelopment:

Finance public infrastructure and gap funding to make large, complex private development projects economically feasible in otherwise unviable areas.

Encourage Private Investment:

De-risk the area through public improvements, private capital for new commercial and residential properties.



Finance Without Raising Taxes:

Relies on future property tax growth (the “increment”) generated within the district, without raising city-wide millage rates or diverting general funds.

Create a Future Expanded Tax Base:

Temporarily diverts tax increment to dramatically increase district property value. Once the TAD expires, the full, significantly increased property tax revenue flows back to all taxing jurisdictions, resulting in a larger future tax digest.



How do TADs Generate Revenue?

Tax Allocation Districts (TADs) generate revenue using Tax Increment Financing (TIF), relying entirely on the growth of property tax values within the district, without increasing taxes for anyone.

1. Setting the Baseline (The Freeze)



Existing jurisdictions continue to receive 100% of revenue from frozen Base Value.

2. Generating the Increment (The Growth)



As value increases, the difference (Tax Increment) is generated.
 $\text{Tax Increment} = \text{Current Value} - \text{Base Value}$

3. Diverting the Revenue (The Allocation)



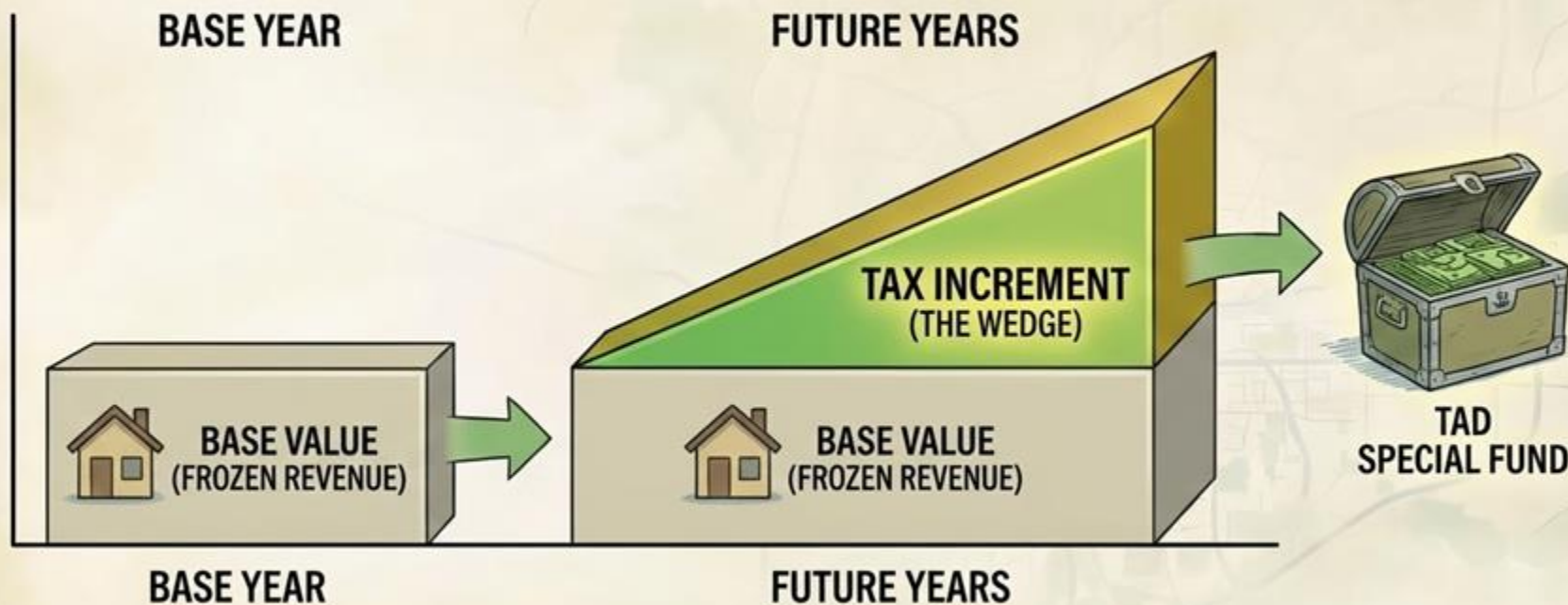
Increment revenue is diverted to a special fund for district improvements, not general funds.

4. Leveraging Future Revenue (The Bonding)



Bonds repaid by future increment allow upfront funding for projects, accelerating redevelopment.

It's a "TAD Wedge"?



The "Wedge" represents the difference between the frozen base value and the current assessed value, which constitutes the tax increment revenue dedicated to the TAD.

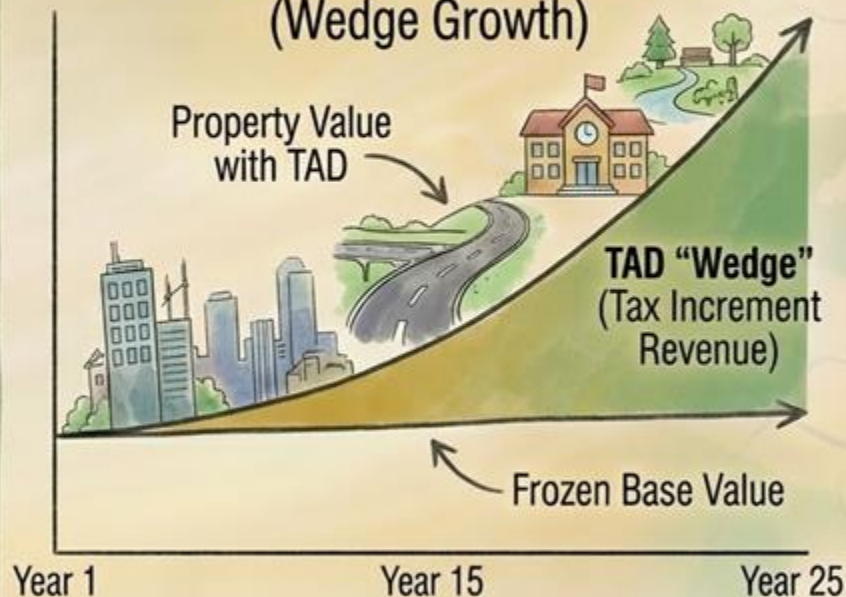
The TAD "Wedge" Effect: Property Value Growth with and without TAD Investments

Without TAD Investments (Baseline Growth)



Limited public infrastructure investment.
Slow, incremental property value increase.

With TAD Investments (Wedge Growth)



TAD funds finance infrastructure & improvements.
Accelerated property value growth, generating the "Wedge".

How are funds spent within a TAD?

Funds generated within a Tax Allocation District (TAD) are exclusively dedicated to projects and costs that align with the specific TAD's Redevelopment Plan and are legally sanctioned, administered by Invest Atlanta. They are primarily allocated across three major categories.

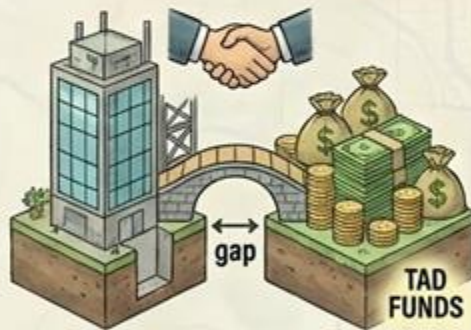
1. Public Infrastructure and Capital Costs



These investments serve as crucial "seed money," making blighted areas attractive and functional for private investment.

- **Public Works:** New streets, sidewalks, utilities.
- **Transit & Mobility:** Trails (Atlanta BeltLine), bike lanes, transit improvements.
- **Environmental Remediation:** Brownfield cleanup for development.
- **Parks and Greenspace:** Land acquisition and construction of parks.
- **Site Preparation:** Demolition, clearing, grading, land assembly.

2. Development Incentives and Gap Financing



TAD funds provide essential "gap financing" for private development projects that would otherwise be too risky or costly.

- **Financial Assistance:** Soft-term grants, loans, or subordinate debt.
- **Affordable Housing:** Creating and preserving affordable units.
- **Small Business Support:** Financial aid for local business revitalization.

3. Debt Service and Related Costs



A significant portion of increment revenue is used to repay the upfront capital raised through tax-exempt bonds.

- **Debt Service:** Repayment of principal and interest on TAD bonds.
- **Professional Services:** Operational costs (legal, financial, architectural, planning, engineering).

Invest Atlanta's Role in TADs

Invest Atlanta is the official economic development authority for the City of Atlanta, serving as the administrator and implementing agency for all Tax Allocation Districts (TADs). Invest Atlanta manages the creation and operation of all TADs. Their core responsibilities include:

Core Responsibilities



1. **Bond Issuance:** Authorized to issue tax-exempt bonds secured by future TAD revenue to fund public infrastructure upfront.



2. **Fund Management:** Manages the TAD fund, ensuring correct collection and allocation of tax increment revenue.



3. **Project Implementation:** Oversees project execution per the Redevelopment Plan, often providing gap financing and incentives to private developers.



4. **Oversight & Accountability:** Reports on the financial performance, economic impact, and compliance of TADs to the City Council and the public.

Invest Atlanta Board Structure (9 Members)



- **City of Atlanta:** The Mayor of Atlanta serves as the Board Chair.



- **Fulton County:** One member appointed by the Mayor from a nominee by the Fulton County Board of Commissioners.



- **Atlanta Public Schools (APS):** One member appointed by the City Council from a nominee by the City of Atlanta Board of Education.



- **Other Members:** The remaining seven members are private citizens and taxpayers representing various sectors (business, real estate, community), including one representative from the Atlanta Planning Advisory Board (APAB).

The TAD Project Review Committee



Reviews funding applications, policy issues, and potential projects for alignment with the Redevelopment Plan.

Makes recommendations to the full Invest Atlanta Board for final approval.

Tax Allocation Districts in Atlanta



Westside (1992)

Downtown, Vine City,
English Avenue.



Perry Bolton (2002)

Northwest Atlanta
(near Perry Boulevard).



Eastside (2003)

East Atlanta, Edgewood,
Reynoldstown,
Sweet Auburn.



Atlanta BeltLine (2005)

Corridors encompassing
the 22-mile loop trail and
transit path.



Stadium Area (2006)

Area surrounding the former
Turner Field (now Georgia
State Stadium).



Campbellton Road (2008)

Southwest Atlanta corridor.



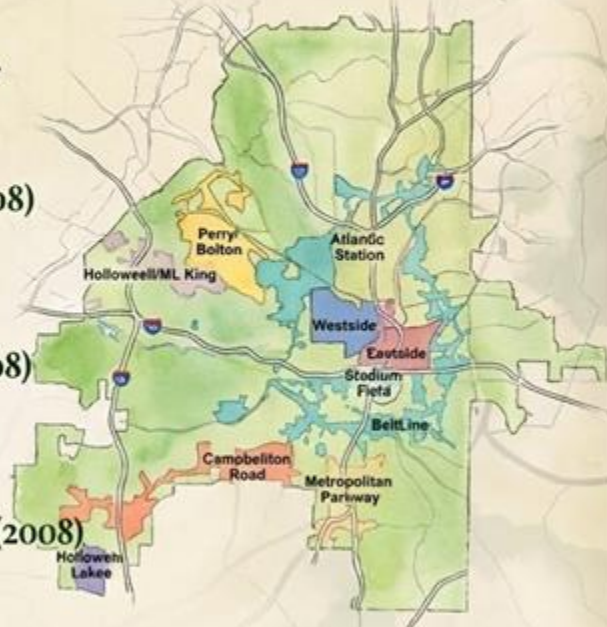
Hollowell/ML King (2008)

Northwest Atlanta corridor
(near H.E. Holmes MARTA).



Metropolitan Parkway (2008)

Southside, southwest
corridor.



Closed TADs: Atlantic Station (2025), Princeton Lakes (2023).

Accomplishments of Atlanta TADs

Atlanta BeltLine

2005



Key Project:
Eastside Trail and
Westside Trail.

Focus:
Major trail and transit
corridor construction,
greenspace
development.

Westside

1992



Key Project:
Rodney Cock Sr. Park
in Vine City.

Focus: Flood
control infrastructure
combined with a
major community
park.

Eastside

2003



Key Project:
Renaissance Walk at
Sweet Auburn.

Focus:
Mixed-use
development
revitalising the historic
Sweet Auburn corridor.

Stadium Area

2006



Key Project:
Redevelopment of
former Turner Field
area.

Focus:
Supported infrastructure
for new residential,
commercial, and mixed-
use development.

Campbellton Road

2006



Key Project:
Greenbrier Mall Area
Revitalization.

Focus: Stimulate new
commercial and retail
development at key
nodes.

Hollowell/ML King

2006



Key Project:
Transit-Oriented
Development (TOD) at
MARTA Stations.

Focus:
Encourage high-intensity,
mixed-use development
around H E. Holmes and West
Lake stations.

Metropolitan Parkway

2006



Key Project:
Completes Street
Redesign &
Connectivity.

Focus:
Transform into a
pedestrian-friendly
streetscape connecting
neighborhoods.

Perry Bolton

2002



Key Project:
West Highlands at
Perry Boulevard.

Focus:
Redevelopment of
former Perry Homes
into a mixed-income,
mixed-use community.

Atlantic Station (Closed)

1999



Key Project:
Brownfield Environmental
Cleanup.

Focus:
Financed environmental
remediation and
infrastructure for the
entire community.

TAD Portfolio: Value and Status

TAD	Currently Slated to Close (Original Expiration)	Base Value	Current Value	Change in Value	% Change in Value	Cumulative Increment	Current % Increment
Active TADs							
Westside	2038	\$271M	\$1.4B	\$1.2B	452%	\$168.5M	82%
Perry Bolton	2041	\$66M	\$619.1M	\$553.1M	838%	\$58.3M	89%
Eastside	2030 (Bonds Defeased 2019)	\$300M	\$1.4B	\$1.1B	377%	\$85.4M	79%
Beltline	2031 (or End of 2030)	\$543M	\$4.2B	\$3.7B	685%	\$351.3M	87%
Hollowell/MLK	2050	\$37M	\$118.7M	\$81.4M	219%	\$38.3M	69%
Hollowell/MLK	2050	\$116M	\$360M	\$244.2M	211%	\$13M	68%
Campbellton	2050	\$116M	\$360M	\$56M	211%	\$13M	68%
Metropolitan Parkway	2031	\$42M	\$98.2M	\$56M	133%	\$57M	67%
Stadium Area	2050	\$26M	\$197.4M	\$170.5M	636%	\$20M	86%
Closed TADs							
Atlantic Station	Closed Dec 2024	\$7M	\$843.4M (Final)	\$836.2M	11658%	\$202.4M	99% (Final)
Princeton Lakes	Closed 2023	\$0.8M	Closed 2023	\$90M	>10,000%	N/A	N/A
Total		\$1.4B	\$9.4B	\$8B	569%	\$879.1M	85%

Highlights of the Current TADs

Atlanta BeltLine 2005



Eastside Trail and Westside Trail.

Construction of a major trail and transit corridor, coupled with greenspace development.

Westside 1992



Rodney Cook Sr. Park in Vine City.

Integration of flood control infrastructure with a significant community park.

Eastside 2003



Renaissance Walk at Sweet Auburn

Mixed-use development endeavor aimed at revitalizing the historically significant Sweet Auburn corridor.

Stadium Area 2006



Redevelopment of the former Turner Field area.

Provision of supporting infrastructure for new residential, commercial, and mixed-use development.

Future Projects Slated Under Current TADs

Herndon Square Phase II (Westside TAD)



\$200M development with 584 rental units (40% affordable) and 32 homeownership units; scheduled for completion in Spring 2026.

Murphy Crossing Site Acquisition (BeltLine TAD)



20+ acre industrial site acquired by the BeltLine; currently undergoing community master planning for a future mixed-use affordable community.

Centennial Yards Entertainment District (Westside TAD)



Second phase, designed as an 8-acre mixed-use entertainment hub with a central plaza; developers are targeting completion for the 2026 FIFA World Cup.

Success Stories: Closed TADs

Atlantic Station TAD (Closed Dec 2024)

Before





Brownfield Site

After





Redeveloped Urban Neighborhood

-  **Brownfield Transformation:** Environmental cleanup and redevelopment of the former 138-acre Atlantic Steel Mill site.
-  **Massive Tax Base Growth:** Property value grew from **\$7M** (Base Value) to **\$843.4M** (Final Audited Value). Revenue flows to City, APS, and Fulton County.

Princeton Lakes TAD (Closed 2023)



-  **Commercial Development in Southwest Atlanta:** Supported Camp Creek Marketplace and adjacent areas, bringing retail, dining, and jobs.
-  **High Rate of Return:** Generated over **\$275M** in economic impact, validating TIF for commercial revitalization.

Case Study: The Beltline

Project Vision and Purpose



Mobility:

A 33-mile trail network and 22 miles of light rail transit.



Greenspace:

Establishing approximately 1,300 acres of new parks.



Affordable Housing:

Creating or preserving 5,600 units of affordable workforce housing.



Economic Development:

Spurring growth by connecting historically separated neighborhoods.

Financial Mechanics and Impact



Base Value & Increment: TAD froze assessed value at \$543M (2005); projected to generate \$20B in increased property value.



Economic Leverage: Catalyzed over \$9B in private development, representing a 10-to-1 return on capital expenditures.



Dedicated Funding: A portion of annual increment funds the BeltLine Affordable Housing Trust Fund (BAHTF).

Key Challenges and Resilience



Financial Shortfalls: Great Recession caused constraints; led to 2021 creation of SSD for trail completion revenue.



Legal Scrutiny: Legal challenge over APS tax increment required a statewide constitutional amendment.

The BeltLine remains one of the largest ongoing urban **redevelopment** projects in the U.S., modeling the integration of **transportation**, greenspace, and housing via a single financing mechanism.

Case Study: The Corridor TADs

The Four Corridor TADs (2006-2050)



Atlanta has four “Corridor TADs”. Each was initiated in 2006 and is set to expire in 2050, meaning the current proposal would **extend** them for only five more years.

Spending Rules & The Westside Exception



In-District Spending:
Revenue must be spent in respective districts.



Westside Exception (2005):
Funds redirected to build the Gateway Center in Downtown Atlanta.

Funding Mechanisms: Increment vs. Bonds



Increment Financing:
Current funding method.
Projects funded by “pay-as-you go” funds (slow accumulation).



Bond Financing (Proposed):
Mayoral Administration signaling interest. Allows for more or bigger projects to begin sooner.

Projects in the Corridor TADs are currently funded through **increment financing**.
The Mayoral Administration has signaled interest in shifting toward bond financing.

Relationship Between Public and Private Investments

The relationship between public and private investments within Atlanta's Tax Allocation Districts (TADs) is a partnership designed to leverage limited public funds to stimulate much larger private capital investment.



The Leveraged Partnership



Property Value Growth:
Private capital builds new residential, commercial, and mixed-use structures, dramatically increasing property values and creating Tax Increment revenue.



Economic Impact:
Private investment generates jobs, housing (including affordable housing), and commercial activity.

The Leverage Ratio



\$1

**Public Investment
(TAD)**



\$12

**Private Investment
(Additional)**

Atlanta's TAD program is successful, demonstrating a strong leverage ratio: For every \$1 spent by the TAD (public investment), \$12 of additional, private investment is created.

The public investment acts as a demand signal and an insurance policy, coordinating and unlocking significantly larger amounts of private capital for revitalization goals the market **could not achieve alone.**

Relationship Between City, Schools, and County

Participation & Financial Contribution



- **Voluntary Participation:** City, APS, and Fulton County must elect to participate for full tax increment.
- **APS Contribution:** Historically the largest contributor (52%+ of tax collections, \$765M+ since 1999).
- **Base Revenue:** All entities retain property tax revenue from the frozen Base Value.

Oversight & Governance (Invest Atlanta Board)



- **Board Management:** Invest Atlanta manages TAD operations and spending.
- **Mayor as Chair:** Mayor of Atlanta chairs the 9-member board.
- **Dedicated Seats:** APS and Fulton County each hold one dedicated seat.

PILOT Payments & Compensation



BeltLine TAD: City makes PILOT payments to APS for forgone revenue.

Eastside TAD: City pays off bonds and makes PILOT payments to APS.

Other TADs: APS contributes increment now for future increased revenue.

Intergovernmental Agreements and Negotiations on TADs

2019 Agreement & APS Contribution Cap



In 2019, the Atlanta Board of Education negotiated specific conditions for its participation in the Westside TAD and the "Corridor TADs" (Campbelton Road, Hollowell/MLK, Metropolitan Parkway, and Stadium Neighborhoods).

APS's total contribution of property tax revenue across all four "Corridor TADs" is capped each year.

Contribution Schedule (2020-2050)



- **\$2.0M** annually (2020 through 2023)
- **\$5.0M** annually (2024 through 2028)
- **\$6.5M** annually (2029 through 2050)

TAD Extension Provision



Important Provision: If a TAD is extended, the City must pay APS its share of TAD revenue as if the TAD closed as previously scheduled.

Neighborhood Reinvestment Initiative Commission (NRIC)



Created by the Atlanta City Council to oversee Mayor Andre Dickens' \$5 billion plan to extend the city's Tax Allocation Districts (TADs) until 2055, ensuring fiscal responsibility.



NRIC Purpose Regarding TAD Extension



Review Project List: Scrutinize the Mayor's 215+ project list for appropriate TAD financing.



Ensure Equity: Recommend ways to ensure investment benefits reach historically underserved areas (South and West sides) to address income inequality.



Improve Redevelopment: Advise on improving redevelopment in economically distressed or strategically significant areas.

Membership Category



City Council Co-Chairs: Chairs of the Finance/Executive and Community Development/Human Services Committees.



Government Officials: Representatives from the City of Atlanta's Office of the Mayor.



Invest Atlanta Oversight: Four representatives from Invest Atlanta's TAD Committee, including nominees from Atlanta Public Schools, Fulton County, and the Atlanta Planning Advisory Board (APAB).



Civic & Non-Profit Leaders: Members from civic institutions, foundations, and nonprofits (e.g., Atlanta Committee for Progress, Metro Atlanta Chamber of Commerce, Arthur M. Blank Foundation, Westside Future Fund).



Start Date: Set to convene in January 2026.

Deadline: Required to deliver its recommendations and findings to the City Council by March 31, 2026.



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Questions?