

# TRAMMELL CROW RESIDENTIAL

3715 Northside Parkway, Suite 1-200  
Atlanta, GA 30327

Dear Board of Mayor and Commissioners,

At your request we have commissioned an economic and fiscal analysis of our proposed Alexan Gateway project in Avondale Estates, GA. The purpose of these reports is to analyze the benefits of the project as it relates to the city at large as well as the impact of the requested tax abatement. But for the tax abatement, the proposed project would not be financially feasible and therefore would not move forward. This is largely driven by the cost of the environmental cleanup, additional road through the site and the associated loss of units, and the sanitary sewer tank requirement. Even with the tax abatement we believe the benefits of the proposed project far outweigh the forgone tax revenue from the abatement and this is evident in both the fiscal and economic impact reports. Both reports are attached to this cover letter and a brief bulleted list of the highlights is included below.

- The project is projected to have a regional impact of \$112.3 million and the creation of 790 jobs with sales tax revenues of approximately \$1.2 million
- The annual operations are expected to generate \$7.5 million in gross project revenues leading to \$12.9 million in annual output regionally and 135 jobs
- Over a 20-year period the city would receive an estimated \$4,406,722 in tax revenue from the project compared to approximately \$106,498 as the property stands today.
- The minimum household income for residents is expected to be approximately \$60,500, or \$16.3 million in income for the residents of the entire project. This equates to \$4.3 million in discretionary earnings that can be spent at local businesses. Based on previous projects in the Atlanta, the developer expects the average household income to actually be between \$110,000 and \$120,000 totaling nearly \$30 million in household income.
- An additional \$590,000 in spending per year is expected to be generated by onsite employees
- Upfront public benefit of \$425,000 for the 550' new street in addition to the \$8,333 annual maintenance costs.
- The intangible benefits of increasing connectivity should prove to be catalytic to the area's businesses and redevelopment opportunities
- The \$150,000 spent on the park construction will function as a key component in revitalizing Downtown Avondale Estates and will encourage future downtown development
- Construction Material Purchases, Annual Direct Construction Payroll, Direct Construction Employment and Annual local spending by construction workers will be a positive for local businesses
- Only 2.8% of jobs in Avondale Estates are filled by city residents. Said another way, more housing is needed in order for more city residents to fill jobs in the city and create a more sustainable live/work balance
- Net of incremental public service costs, Avondale Estates will receive \$1,372,092 in net profit from taxes alone over a 20-year period

- During construction the city will benefit from 400 construction workers on site and the additional spending power on local businesses

We appreciate the opportunity to work with the city of Avondale Estates on this project and look forward to a successful development.

Best,

W. Justin Adams & Leonard Wood, Jr.