Introduction to Financing Livable Communities

Lindbergh City Center Case Study
A Livable Community Is…

• A pedestrian oriented neighborhood with good sidewalks and street trees and outdoor furnishings that invite people to linger,

• A moderate- to high-density neighborhood with mixed uses and transit options to reduce traffic congestion and pollution,

• A supportive community with features and services geared to all ages and income levels

• Neighborhoods with an array of housing types and pricing to reduce income segregation
  - Provide lower-income residents with opportunities to move up the occupational and social ladders
  - Allow residents to age without having to leave the neighborhood
Livable Communities are made of ...
Lindbergh City Center
Process of Starting Lindbergh City Center

• City of Atlanta rezoned the land for high density mixed use development

• Metropolitan Atlanta Rapid Transit Authority (MARTA) issued a Request for Proposals (RFP) to attract a master developer
  – 500 prospective developers were notified
  – 19 firms purchased the RFP
  – 2 firms submitted development proposals

• The selected master developer led the master planning process to prepare a TOD design supported by actual market demand, including the projected impact of the improvements included in the early phases of the plan
  – Bell South partnership
Keys to Creating a Successful TOD

• Optimal transit system design for intermodal throughput

• Community partnerships
  – Conducting community engagement and involvement
  – Community benefits agreement

• Understanding of local real estate market
  – Collecting and analyzing data
  – Purpose driven planning

• Coordination among local, regional, state, and national organizations
  – Leveraging available funding resources

• Identification of financial incentives and resources
  – Attracting developers and private investment
  – Managing and balancing public and private risk
TOD Structure

• Important Agreements Necessary to Close the Deal

  – Master Development Agreement
  – Covenants, Conditions, and Restrictions
  – Parking Agreement
  – Maintenance Agreement
  – Ground Lease(s)
Financing the Public Share

- MARTA secured $40 MM in FTA funding for station improvements and commuter parking.
  - Renovations to and expansion of the station with enhanced intermodal facilities which are all designed to benefit MARTA patrons

- MARTA's Board of Directors authorized a $70 MM bond issuance in order to fund it’s share of front end capital needs
  - Master planning costs
  - Demolition and hazardous materials abatement
  - Utility infrastructure, including a quarter mile sewer trunk line
  - Roadway and streetscape improvements, including bridging tracks
  - Shared structured parking facilities for riders, workers, residents, and visitors of the neighborhood

- The Master Developer was charged with managing construction of off-site traffic calming and pedestrian space improvements under a negotiated community benefits agreement
  - Developer ensured investment of impact fees collected by the City to serve the impacted community
Private Investment and Returns to MARTA

- MARTA’s development partners signed 99-year ground leases on the property and constructed buildings in conformity with MARTA’s master plan for the site
  - Master developer and partners have invested approximately $250 MM in buildings and other improvements so far in Phase 1.
  - Ground leases commence with an infrastructure payment to offset MARTA’s initial investment in site improvements

- Bell South (AT&T) twin 14 story towers, one million square feet

- Over 120,000 sf of retail along tree lined streets including 2 free standing restaurants, a free standing garden center, and inline shops in six buildings

- 60,000 sf office / educational building

- Two apartment complexes providing over 700 units
Lindbergh City Center TOD
AT&T

- 1 million sf class A office space
- 4,000 employees
- 24/7 operations
Uptown Square Apartments

- 364 mixed income apartments (1, 2, and 3 bedroom units)
- Market rate amenity package
- Connected to parking structure
- 8,400 sf of retail space
Eon at Lindbergh Apartments

- 352 market rate apartments (1, 2, and 3 bedroom units)
- Upscale amenity package
- Elevator access to secured parking
- 5,100 sf of retail space
Building Livable Communities with Transit

Inline Retail
Free Standing Retail
Ripple Effect of Lindbergh City Center
Ripple Effect of Lindbergh City Center

• Spurred City to create Special Public Interest District
• Additional developments have been created as a result of Lindbergh:
  – Lindbergh Plaza
    • 400,000 sf of retail on two levels with parking decks
  – Lindbergh Vista
    • 314 unit luxury apartment complex with street front retail
  – Cosmopolitan
    • 244 condominium units and townhouses
  – Lindmont Redevelopment
    • 1200 residential units and 90,000 SF retail on 25 acres of land
  – Two additional planned projects have been stalled by economic conditions
Revitalized Lindbergh Neighborhood