

An Analysis of the Fiscal Impacts of the Atlanta Beltline Tax Allocation District
Bruce A. Seaman, Ph.D.
Summary Report
October 12, 2005

I. Overview

The Atlanta Beltline is projected to generate incremental household relocation into the City of Atlanta over a 25-year period (a cumulative 9,577 new households beyond those that would have otherwise located in those areas of the city had it not been for the Beltline inspired improvements in infrastructure, transit, parks, and more balanced development across all four quadrants of Atlanta). Proportionately, this new household development, and its related increase in commercial activity, will be especially heavy in the Southeast and Northwest, but also quite heavy in the Southwest.

Revenue Effects

This new activity will generate permanent additional tax revenue for Atlanta (the General Fund) via incremental effects on sales taxes (limited to the Atlanta share of the LOST, or the 1% local option sales tax), business taxes (utility franchise fees, alcohol and insurance taxes), and business licensing fees, and will generate temporary additions to these revenue sources as construction spending also contributes to sales and use tax revenues.

Service Cost Effects

On the other hand, some increase in the cost of public services will occur, specifically in the areas of police and fire protection and road repair and maintenance (a portion of the Public Works budget). Water and sewer services are paid for in fees-for-service, and all private utility expenses are of course not the responsibility of the City (in fact, such private spending generates tax revenue via utility franchise fees). Any additional school expenditures are to be covered by a portion of the property tax revenues generated from within the TAD and are thus not relevant to this analysis. Furthermore, any capital expenditures for either roads or park development are also to be paid from a portion of those TAD property tax revenues. However, park maintenance expenses are an additional cost burden, and actually represent the largest single component of such incremental service costs (see Table 5 below).

A separate category is the redirection of property tax revenues from the economic development within the TAD area (new growth as well as existing property appreciation) that would alternatively have accrued to the General Fund, but over the first 25 years will be redirected as earmarked revenues to finance the bonds that will support the Beltline development projects. These revenues are not lost but are merely redirected, and when the TAD expires, they will be redirected back to the General Fund. Both of these effects are documented in the analysis.

II. Summary of Conclusions

Tables 1 through 5 provide detailed information regarding the fiscal effects on the Atlanta General Fund from this incremental economic development.

- Table 1 documents the annual (and cumulative) revenues, service costs (including park maintenance) and redirected property tax revenues. While incremental revenues would be sufficient to more than pay for the incremental police, fire and road maintenance expenses, when the expense of maintaining the substantial increase in park acreage is included along with the diverted property tax revenues, annual revenue shortfalls result.
- These revenue shortfalls range from a per year low of \$687,840 in year 1 to \$21.4 million in year 25. The cumulative General Fund revenue shortfall is \$275 million as of year 25.
- However, given that the new and appreciated property within the TAD (due solely to Beltline developments) will generate substantial property tax revenues back to the General Fund starting in year 26, Table 1 also indicates that as of year 32, a net cumulative revenue surplus is realized.
- Even if one considers the first 25 years only, it is critical to understand that such annual revenue shortfalls are remarkably manageable when put into the proper context. Table 2 documents the annual revenue shortfalls as a percentage of the total General Fund, both in the unrealistic case of no real growth over 25 years, and also in the more realistic case of an average of 2% real growth. In the realistic latter case, the average revenue shortfall as a percentage of the General Fund is only 1.7%, with the highest single year being 2.7%.
- This first 25-year revenue shortfall can also be understood in terms of what it represents per person to the Atlanta population. Table 3 provides evidence that this burden represents only an average of \$21.18 per person in the case in which no business burden sharing is assumed, and can be as low as an average of \$10.93 per person in the case when all adjustments are made in terms of business versus individual burden sharing.
- Tables 4 and 5 provide detailed documentation of the revenue and service cost projections, and explanatory notes (along with the Appendix) as to their derivation.

Overall Conclusions:

- ❖ At a cost of as little as \$11 per person per year, or 1.7% of the General Fund annual budget, Atlanta will be able to acquire a substantial increase in valuable park and recreational facilities, enhance inner-city transit, encourage more balanced economic development across all four quadrants of the City, and substantially improve the overall quality of life.
- ❖ In fact, by ignoring the fact that this improved quality of life will inevitably attract even more commercial development that will add to the tax base, as well as making the lives of all current residents more enjoyable, this analysis

can be considered to be a worst-case scenario of the fiscal and economic consequences of the Atlanta Beltline Tax Allocation District.

III. Detailed Documentation

TABLE 1
Summary of Beltline General Fund Fiscal Impacts (32 Years)

(1) Year	(2) Incremental Development Revenues	(3) Incremental Development Service Costs with Parks	(4) Redirected Property Tax Revenues to the TAD	(5) Incremental Development Rev - Costs W/o Prop Tax	(6) Incremental Development Rev - Costs With Prop Tax
1	\$204,505	\$524,589	-\$367,756	-\$320,084	-\$687,840
2	\$435,582	\$1,049,179	-\$857,694	-\$613,597	-\$1,471,291
3	\$510,880	\$1,573,768	-\$1,240,308	-\$1,062,888	-\$2,303,196
4	\$674,090	\$2,098,357	-\$1,695,907	-\$1,424,267	-\$3,120,174
<u>5</u>	<u>\$820,296</u>	<u>\$2,622,947</u>	<u>-\$2,160,617</u>	<u>-\$1,802,651</u>	<u>-\$3,963,268</u>
5 Yrs	\$2,645,353	\$7,868,840	-\$6,322,282	-\$5,223,487	-\$11,545,769
6	\$1,105,403	\$3,253,564	-\$2,767,240	-\$2,148,161	-\$4,915,401
7	\$1,324,616	\$3,884,181	-\$3,385,996	-\$2,559,565	-\$5,945,561
8	\$1,543,834	\$4,514,799	-\$4,017,126	-\$2,970,965	-\$6,988,091
9	\$1,763,057	\$5,145,416	-\$4,660,879	-\$3,382,359	-\$8,043,238
<u>10</u>	<u>\$1,982,283</u>	<u>\$5,860,706</u>	<u>-\$5,317,507</u>	<u>-\$3,878,423</u>	<u>-\$9,195,930</u>
10 Yrs	\$10,364,546	\$30,527,506	-\$26,471,030	-\$20,162,960	-\$46,633,990
Last 5	\$7,719,193	\$22,658,666	-\$20,148,748	-\$14,939,473	-\$35,088,221
11	\$2,227,713	\$6,090,214	-\$6,009,520	-\$3,862,501	-\$9,872,021
12	\$2,459,516	\$6,311,658	-\$6,715,373	-\$3,852,142	-\$10,567,515
13	\$2,691,323	\$6,533,103	-\$7,435,344	-\$3,841,780	-\$11,277,124
14	\$2,923,135	\$6,754,547	-\$8,169,714	-\$3,831,412	-\$12,001,126
<u>15</u>	<u>\$3,154,952</u>	<u>\$6,975,991</u>	<u>-\$8,918,771</u>	<u>-\$3,821,039</u>	<u>-\$12,739,810</u>
15 Yrs	\$23,821,185	\$63,193,019	-\$63,719,752	-\$39,371,834	-\$103,091,586
Last 5	\$13,456,639	\$32,665,513	-\$37,248,722	-\$19,208,874	-\$56,457,596
16	\$3,451,392	\$7,232,226	-\$9,711,392	-\$3,780,834	-\$13,492,226
17	\$4,155,248	\$7,488,460	-\$10,641,065	-\$3,333,212	-\$13,974,277
18	\$4,422,784	\$7,744,695	-\$11,528,131	-\$3,321,911	-\$14,850,042
19	\$4,690,326	\$8,000,930	-\$12,432,938	-\$3,310,604	-\$15,743,542
<u>20</u>	<u>\$4,957,874</u>	<u>\$8,257,165</u>	<u>-\$13,355,841</u>	<u>-\$3,299,291</u>	<u>-\$16,655,132</u>
20 Yrs	\$45,498,809	\$101,916,495	-\$121,389,119	-\$56,417,686	-\$177,806,805
Last 5	\$21,677,624	\$38,723,476	-\$57,669,367	-\$17,045,852	-\$74,715,219
21	\$5,208,329	\$8,513,399	-\$14,269,686	-\$3,305,070	-\$17,574,756
22	\$5,468,767	\$8,769,634	-\$15,201,808	-\$3,300,867	-\$18,502,675
23	\$5,729,210	\$9,025,869	-\$16,152,572	-\$3,296,659	-\$19,449,231
24	\$5,989,659	\$9,282,104	-\$17,122,352	-\$3,292,445	-\$20,414,797
<u>25</u>	<u>\$6,250,113</u>	<u>\$9,539,443</u>	<u>-\$18,111,527</u>	<u>-\$3,289,330</u>	<u>-\$21,400,857</u>
25 Yrs	\$74,144,887	\$147,046,944	-\$202,247,064	-\$72,902,057	-\$275,149,121

Last 5	\$28,646,078	\$45,130,449	-\$80,857,945	-\$16,484,371	-\$97,342,316
26	\$6,019,267	\$9,539,443	\$46,344,309	-\$3,520,176	\$42,824,133
27	\$6,019,267	\$9,539,443	\$47,271,195	-\$3,520,176	\$43,751,019
28	\$6,019,267	\$9,539,443	\$48,216,619	-\$3,520,176	\$44,696,443
29	\$6,019,267	\$9,539,443	\$49,180,951	-\$3,520,176	\$45,660,775
30	<u>\$6,019,267</u>	<u>\$9,539,443</u>	<u>\$50,164,570</u>	<u>-\$3,520,176</u>	<u>\$46,644,394</u>
30 Yrs	\$104,241,222	\$194,744,159	\$38,930,581	-\$90,502,937	-\$51,572,356
Last 5	\$30,096,335	\$47,697,215	\$241,177,645	-\$17,600,880	\$223,576,765
31	\$6,019,267	\$9,539,443	\$51,167,862	-\$3,520,176	\$47,647,686
32	<u>\$6,019,267</u>	<u>\$9,539,443</u>	<u>\$52,191,219</u>	<u>-\$3,520,176</u>	<u>\$48,671,043</u>
32 Yrs	\$116,279,756	\$213,823,045	\$142,289,662	-\$97,543,289	\$44,746,373

Notes: All dollar figures are in “real” 2005 dollars with no inflation adjustment. In essence, a 0% real growth rate is applied to revenue and service costs, but there is a 2% real growth rate (not including inflation) implicit in the redirected property tax revenues.

- (a) Detailed documentation of revenues in Column (2) is provided below in Table 4.
- (b) Detailed documentation of service costs and parks maintenance expenses in Column (3) is provided below in Table 5.
- (c) Redirected property tax revenues from the General Fund to the TAD are based on new development and existing property appreciation within the TAD and are derived from Table 14 of the *Redevelopment Plan: Atlanta Beltline TAD Development and Bond Financing Proposal*, October 11, 2005 (Huntley & Associates).

TABLE 2
Annual Net Revenue Shortfall as Percentage of General Fund:
Annual for 25 Years
(No General Fund Growth vs. Expected Real Growth)

(1) Year	(2) Annual Development Revenue Minus Service Costs and Redirected Property Taxes	(3) General Fund 2005	(4) Annual Net Revenue Shortfall as % of General Fund with no GF Real Growth	(5) General Fund 2% Real Growth	(6) Annual Net Revenue Shortfall as % of General Fund with 2% GF Real Growth
0		\$474,933,207		\$474,933,207	
1	- \$687,840	\$474,933,207	0.1448	\$484,431,871	0.1420
2	- \$1,471,291	\$474,933,207	0.3098	\$494,120,509	0.2978
3	- \$2,303,196	\$474,933,207	0.4850	\$504,002,919	0.4570
4	- \$3,120,174	\$474,933,207	0.6570	\$514,082,977	0.6069
5	- \$3,963,268	\$474,933,207	0.8345	\$524,364,637	0.7558
6	- \$4,915,401	\$474,933,207	1.0350	\$534,851,929	0.9190
7	- \$5,945,561	\$474,933,207	1.2519	\$545,548,968	1.0898
8	- \$6,988,091	\$474,933,207	1.4714	\$556,459,947	1.2558
9	- \$8,043,238	\$474,933,207	1.6936	\$567,589,146	1.4171
10	- \$9,195,930	\$474,933,207	1.9363	\$578,940,929	1.5884
11	- \$9,872,021	\$474,933,207	2.0786	\$590,519,748	1.6718
12	- \$10,567,515	\$474,933,207	2.2251	\$602,330,143	1.7544
13	- \$11,277,124	\$474,933,207	2.3745	\$614,376,746	1.8355
14	- \$12,001,126	\$474,933,207	2.5269	\$626,664,281	1.9151
15	- \$12,739,810	\$474,933,207	2.6824	\$639,197,566	1.9931
16	- \$13,492,226	\$474,933,207	2.8409	\$651,981,517	2.0694
17	- \$13,974,277	\$474,933,207	2.9424	\$665,021,148	2.1013
18	- \$14,850,042	\$474,933,207	3.1268	\$678,321,571	2.1892
19	- \$15,743,542	\$474,933,207	3.3149	\$691,888,002	2.2754
20	- \$16,655,132	\$474,933,207	3.5068	\$705,725,762	2.3600
21	- \$17,574,756	\$474,933,207	3.7005	\$719,840,277	2.4415
22	- \$18,502,675	\$474,933,207	3.8958	\$734,237,083	2.5200
23	- \$19,449,231	\$474,933,207	4.0952	\$748,921,825	2.5970
24	- \$20,414,797	\$474,933,207	4.2985	\$763,900,261	2.6724
<u>25</u>	<u>- \$21,400,857</u>	<u>\$474,933,207</u>	<u>4.5061</u>	<u>\$779,178,266</u>	<u>2.7466</u>
	- \$275,149,121	\$12,348,263,382	2.3174 %	\$15,991,431,235	1.6669 %
	Total	Total	Average	Total	Average

Note: Column 2 is taken from Column 6 of Table 1 but for 25 years only.

TABLE 3
Annual Net Revenue Shortfall Per Capita: Annual for 25 Years

(1) Year	(2) Atlanta Households Year 0 = 2005	(3) Atlanta Population (average 2.3 persons per household)	(4) Incremental Development Revenue – Service Costs and Redirected Property Taxes	(5) Annual Revenue Shortfall per Person with no Commercial and other Burden Sharing	(6) Annual Revenue Shortfall per Person reduced by 48.4% non- Residential Share of Burden	(7) Annual Revenue Shortfall per Person reduced only by 37.4% Commercial Share of Burden
0	184,049	423,313				
1	186,313	428,519	-\$687,840	-\$1.61	-\$0.83	-\$1.00
2	188,604	433,790	-\$1,471,291	-\$3.39	-\$1.75	-\$2.12
3	190,924	439,126	-\$2,303,196	-\$5.24	-\$2.71	-\$3.28
4	193,273	444,527	-\$3,120,174	-\$7.02	-\$3.62	-\$4.39
5	195,650	449,995	-\$3,963,268	-\$8.81	-\$4.54	-\$5.51
6	198,056	455,530	-\$4,915,401	-\$10.79	-\$5.57	-\$6.75
7	200,492	461,133	-\$5,945,561	-\$12.89	-\$6.65	-\$8.07
8	202,959	466,805	-\$6,988,091	-\$14.97	-\$7.72	-\$9.37
9	205,455	472,546	-\$8,043,238	-\$17.02	-\$8.78	-\$10.66
10	207,982	478,359	-\$9,195,930	-\$19.22	-\$9.92	-\$12.03
11	210,540	484,243	-\$9,872,021	-\$20.39	-\$10.52	-\$12.76
12	213,130	490,199	-\$10,567,515	-\$21.56	-\$11.12	-\$13.50
13	215,751	496,228	-\$11,277,124	-\$22.73	-\$11.73	-\$14.23
14	218,405	502,332	-\$12,001,126	-\$23.89	-\$12.33	-\$14.96
15	221,091	508,510	-\$12,739,810	-\$25.05	-\$12.93	-\$15.68
16	223,811	514,765	-\$13,492,226	-\$26.21	-\$13.52	-\$16.41
17	226,564	521,097	-\$13,974,277	-\$26.82	-\$13.84	-\$16.79
18	229,351	527,506	-\$14,850,042	-\$28.15	-\$14.53	-\$17.62
19	232,172	533,995	-\$15,743,542	-\$29.48	-\$15.21	-\$18.46
20	235,027	540,563	-\$16,655,132	-\$30.81	-\$15.90	-\$19.29
21	237,918	547,212	-\$17,574,756	-\$32.12	-\$16.57	-\$20.11
22	240,844	553,942	-\$18,502,675	-\$33.40	-\$17.24	-\$20.91
23	243,807	560,756	-\$19,449,231	-\$34.68	-\$17.90	-\$21.71
24	246,806	567,653	-\$20,414,797	-\$35.96	-\$18.56	-\$22.51
25	249,841	574,635	-\$21,400,857	-\$37.24	-\$19.22	-\$23.31
				-\$21.18 average per year	-\$10.93 average per year	-\$13.26 average per year

Notes:

- (a) Column (4) is identical to column (6) in Table 1 (but for 25 years only) and Column (2) in Table 2.
- (b) Population projections are consistent with Atlanta Regional Commission and Bureau of the Census figures.
- (c) The “burden sharing” percentages in columns (6) and (7) are based on the 2005 Fulton County tax digest.

TABLE 4
General Fund Revenue due to Incremental Development caused by the Beltline

(1) Year	(2) New HH Cumulative Total	(3) Sales Tax Revenues Per Year	(4) Business Tax Revenues Per Year	(5) New Firms Cumulative Total	(5) License Fees Revenues Per Year	(5) Incremental Construction Sales Tax Revenue/Year	(6) Total Revenues Incremental Per Year
1	197	\$42,448	\$46,628	13	\$22,984	\$92,445	\$204,505
2	394	\$84,896	\$93,256	72	\$127,296	\$130,134	\$435,582
3	591	\$127,344	\$139,884	85	\$150,280	\$93,372	\$510,880
4	788	\$169,792	\$186,512	117	\$206,856	\$110,930	\$674,090
<u>5</u>	<u>985</u>	<u>\$212,240</u>	<u>\$233,140</u>	<u>149</u>	<u>\$263,432</u>	<u>\$111,484</u>	<u>\$820,296</u>
5 Yr	985	\$636,720	\$699,420	149	\$770,848	\$538,365	\$2,645,353
6	1,374	\$296,058	\$325,212	173	\$305,864	\$178,269	\$1,105,403
7	1,763	\$379,876	\$417,284	197	\$348,296	\$179,160	\$1,324,616
8	2,152	\$463,694	\$509,356	221	\$390,728	\$180,056	\$1,543,834
9	2,541	\$547,512	\$601,428	245	\$433,160	\$180,957	\$1,763,057
<u>10</u>	<u>2,930</u>	<u>\$631,330</u>	<u>\$693,500</u>	<u>269</u>	<u>\$475,592</u>	<u>\$181,861</u>	<u>\$1,982,283</u>
10 Yr	2,930	\$2,955,190	\$3,246,200	269	\$2,724,488	\$1,438,668	\$10,364,546
11	3,331	\$717,733	\$788,413	297	\$525,096	\$196,471	\$2,227,713
12	3,732	\$804,136	\$883,326	325	\$574,600	\$197,454	\$2,459,516
13	4,133	\$890,539	\$978,239	353	\$624,104	\$198,441	\$2,691,323
14	4,534	\$976,942	\$1,073,152	381	\$673,608	\$199,433	\$2,923,135
<u>15</u>	<u>4,935</u>	<u>\$1,063,345</u>	<u>\$1,168,065</u>	<u>409</u>	<u>\$723,112</u>	<u>\$200,430</u>	<u>\$3,154,952</u>
15 Yr	4,935	\$7,407,885	\$8,137,395	409	\$5,845,008	\$2,430,897	\$23,821,185
16	5,399	\$1,163,323	\$1,277,889	441	\$779,688	\$230,492	\$3,451,392
17	5,863	\$1,699,626	\$1,387,713	473	\$836,264	\$231,645	\$4,155,248
18	6,327	\$1,799,604	\$1,497,537	505	\$892,840	\$232,803	\$4,422,784
19	6,791	\$1,899,582	\$1,607,361	537	\$949,416	\$233,967	\$4,690,326
<u>20</u>	<u>7,255</u>	<u>\$1,999,560</u>	<u>\$1,717,185</u>	<u>569</u>	<u>\$1,005,992</u>	<u>\$235,137</u>	<u>\$4,957,874</u>
20 Yr	7,255	\$15,969,580	\$15,625,080	569	\$10,309,208	\$3,594,941	\$45,498,809
21	7,719	\$2,099,538	\$1,827,009	597	\$1,055,496	\$226,286	\$5,208,329
22	8,183	\$2,199,516	\$1,936,833	625	\$1,105,000	\$227,418	\$5,468,767
23	8,647	\$2,299,494	\$2,046,657	653	\$1,154,504	\$228,555	\$5,729,210
24	9,111	\$2,399,472	\$2,156,481	681	\$1,204,008	\$229,698	\$5,989,659
<u>25</u>	<u>9,577</u>	<u>\$2,499,450</u>	<u>\$2,266,305</u>	<u>709</u>	<u>\$1,253,512</u>	<u>\$230,846</u>	<u>\$6,250,113</u>
25 Yr	9577	\$27,467,050	\$25,858,365	709	\$16,081,728	\$4,737,744	\$74,144,887
26	9,577	\$2,499,450	\$2,266,305	709	\$1,253,512	\$0	\$6,019,267
27	9,577	\$2,499,450	\$2,266,305	709	\$1,253,512	\$0	\$6,019,267
28	9,577	\$2,499,450	\$2,266,305	709	\$1,253,512	\$0	\$6,019,267
29	9,577	\$2,499,450	\$2,266,305	709	\$1,253,512	\$0	\$6,019,267
<u>30</u>	<u>9,577</u>	<u>\$2,499,450</u>	<u>\$2,266,305</u>	<u>709</u>	<u>\$1,253,512</u>	<u>\$0</u>	<u>\$6,019,267</u>
30 Yr	9,577	\$39,964,300	\$37,189,890	709	\$22,349,288	\$4,737,744	\$104,241,222

Notes: All dollar figures are in “real” 2005 dollars with no inflation adjustment.

- (a) The incremental households and the specific time pattern of their introduction into Atlanta are based on the Huntley & Associates data (in turn based on the demand analysis model) reported in the *Redevelopment Plan*.
- (b) Sales taxes due to net new households attracted to Atlanta as a result of Beltline area improvements are based on expenditure data from the *Consumer Expenditure Survey* (Bureau of Labor Statistics), adjusted for (1) spending that would not enter the Atlanta/Fulton County local option sales tax base; (2) the planned 20 percent of affordable housing as part of the Beltline development; and (3) modest Atlanta “induced” effects based on an average of RIMS II and IMPAN multiplier data (the final “tax multiplier” after all adjustments is 1.27). The relevant sales tax is the LOST of 1%, of which Atlanta obtains 42.88%. Thus, for every \$1.00 of taxable spending, Atlanta would receive \$.00428. The taxable spending is not limited to within the TAD, but is considered to have been the incremental result of Beltline developments.
- (c) Relevant business taxes are limited to (1) utility franchise fees; (2) alcoholic beverage taxes; and (3) insurance premium taxes. They do not include hotel-motel tax revenues. These revenues are generated by the direct and induced incremental spending of households uniquely attracted to Atlanta by Beltline development. The Appendix provides additional detail on these calculations.
- (d) License fees are generated by the incremental firms that are attracted into the areas by Beltline developments, largely but not exclusively to serve the households that will locate in that area. The number of such firms is calculated based on the *Redevelopment Plan* square footage projections and the average square footage required by the different categories of commercial development (i.e. retail, office including local and multi-story, and light industry). Atlanta budgetary data is utilized to calculate current license fees per business establishment, which is then modestly adjusted for induced as well as direct effects. The result is \$1,768 per establishment.
- (e) Construction sales tax revenues are derived from the *Redevelopment Plan* build-out schedule and related construction expenses, and then adjusted for those portions of those expenses that would not enter the sales tax base (e.g., primarily. administrative expenses unlikely to be spent in the city and non-local vendor expenses that may not be captured in user fees). Again direct and induced effects are incorporated with the final “tax multiplier” being 1.27.
- (f) All categories of revenue except construction sales taxes represent annual figures based on cumulative development as additional households and business establishments are added (e.g. starting with 197 new households in year 1 and ending with the “fully mature” development after 25 years of 9,577. By contrast, since some construction projects begin while others are ending, those annual figures are based on the construction projects scheduled for those particular years and they are not cumulative. This is most clearly seen in the \$0 revenues for construction sales taxes in the years 25-30, when no further construction is scheduled under Beltline plan.

TABLE 5

General Fund Service and Park Maintenance Costs due to Incremental Development

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Yr	Cumul Inc Park Acres	Per Year Parks \$	Cumul Inc Green- way Acres	Per Year Grway \$	Cumul Inc HH	Per Year Pub Wks \$	Per Year Police \$	Per Year Fire \$	Per Year Tot Inc Costs
1	100	\$403,200	25	\$12,600	197	\$12,163	\$72,069	\$24,558	\$524,589
2	200	\$806,400	50	\$25,200	394	\$24,326	\$144,137	\$49,116	\$1,049,179
3	300	\$1,209,600	75	\$37,800	591	\$36,488	\$216,206	\$73,674	\$1,573,768
4	400	\$1,612,800	100	\$50,400	788	\$48,651	\$288,274	\$98,232	\$2,098,357
5	<u>500</u>	<u>\$2,016,000</u>	<u>125</u>	<u>\$63,000</u>	<u>985</u>	<u>\$60,814</u>	<u>\$360,343</u>	<u>\$122,790</u>	<u>\$2,622,947</u>
5	500	\$6,048,000	125	\$189,000	985	\$182,442	\$1,081,028	\$368,370	\$7,868,840
Yr									
6	600	\$2,419,200	150	\$75,600	1,374	\$84,831	\$502,650	\$171,283	\$3,253,564
7	700	\$2,822,400	175	\$88,200	1,763	\$108,848	\$644,958	\$219,776	\$3,884,181
8	800	\$3,225,600	200	\$100,800	2,152	\$132,864	\$787,266	\$268,268	\$4,514,799
9	900	\$3,628,800	225	\$113,400	2,541	\$156,881	\$929,574	\$316,761	\$5,145,416
10	<u>1,021</u>	<u>\$4,116,672</u>	<u>250</u>	<u>\$126,000</u>	<u>2,930</u>	<u>\$180,898</u>	<u>\$1,071,882</u>	<u>\$365,254</u>	<u>\$5,860,706</u>
10	1,021	\$22,260,672	250	\$693,000	2,930	\$846,764	\$5,017,358	\$1,709,712	\$30,527,506
Yr									
11	1,021	\$4,116,672	266	\$134,064	3,331	\$205,656	\$1,218,580	\$415,242	\$6,090,214
12	1,021	\$4,116,672	266	\$134,064	3,732	\$230,414	\$1,365,278	\$465,231	\$6,311,658
13	1,021	\$4,116,672	266	\$134,064	4,133	\$255,171	\$1,511,975	\$515,220	\$6,533,103
14	1,021	\$4,116,672	266	\$134,064	4,534	\$279,929	\$1,658,673	\$565,208	\$6,754,547
15	<u>1,021</u>	<u>\$4,116,672</u>	<u>266</u>	<u>\$134,064</u>	<u>4,935</u>	<u>\$304,687</u>	<u>\$1,805,371</u>	<u>\$615,197</u>	<u>\$6,975,991</u>
15	1,021	\$42,844,032	266	\$1,363,320	4,935	\$2,122,621	\$12,577,235	\$4,285,811	\$63,193,019
Yr									
16	1,021	\$4,116,672	266	\$134,064	5,399	\$333,334	\$1,975,116	\$673,039	\$7,232,226
17	1,021	\$4,116,672	266	\$134,064	5,863	\$361,982	\$2,144,861	\$730,882	\$7,488,460
18	1,021	\$4,116,672	266	\$134,064	6,327	\$390,629	\$2,314,606	\$788,724	\$7,744,695
19	1,021	\$4,116,672	266	\$134,064	6,791	\$419,276	\$2,484,352	\$846,566	\$8,000,930
20	<u>1,021</u>	<u>\$4,116,672</u>	<u>266</u>	<u>\$134,064</u>	<u>7,255</u>	<u>\$447,924</u>	<u>\$2,654,097</u>	<u>\$904,408</u>	<u>\$8,257,165</u>
20	1,021	\$63,427,392	266	\$2,033,640	7,255	\$4,075,761	\$24,150,267	\$8,229,430	\$101,916,495
Yr									
21	1,021	\$4,116,672	266	\$134,064	7,719	\$476,571	\$2,823,842	\$962,251	\$8,513,399
22	1,021	\$4,116,672	266	\$134,064	8,183	\$505,218	\$2,993,587	\$1,020,093	\$8,769,634
23	1,021	\$4,116,672	266	\$134,064	8,647	\$533,866	\$3,163,332	\$1,077,935	\$9,025,869
24	1,021	\$4,116,672	266	\$134,064	9,111	\$562,513	\$3,333,077	\$1,135,777	\$9,282,104
25	<u>1,021</u>	<u>\$4,116,672</u>	<u>266</u>	<u>\$134,064</u>	<u>9,577</u>	<u>\$591,284</u>	<u>\$3,503,554</u>	<u>\$1,193,869</u>	<u>\$9,539,443</u>
25	1,021	\$84,010,752	266	\$2,703,960	9,577	\$6,745,218	\$39,967,659	\$13,619,354	\$147,046,944
Yr									
26	1,021	\$4,116,672	266	\$134,064	9,577	\$591,284	\$3,503,554	\$1,193,869	\$9,539,443
27	1,021	\$4,116,672	266	\$134,064	9,577	\$591,284	\$3,503,554	\$1,193,869	\$9,539,443

28	1,021	\$4,116,672	266	\$134,064	9,577	\$591,284	\$3,503,554	\$1,193,869	\$9,539,443
29	1,021	\$4,116,672	266	\$134,064	9,577	\$591,284	\$3,503,554	\$1,193,869	\$9,539,443
<u>30</u>	<u>1,021</u>	<u>\$4,116,672</u>	<u>266</u>	<u>\$134,064</u>	<u>9,577</u>	<u>\$591,284</u>	<u>\$3,503,554</u>	<u>\$1,193,869</u>	<u>\$9,539,443</u>
30	1,021	104,594,112	266	\$3,374,280	9,577	9,701,638	\$57,485,429	\$19,588,699	\$194,744,159

Yr

Notes: All dollar figures are in “real” 2005 dollars with no inflation incorporated.

- (a) The cumulative parks acreage is based on the Beltline plan to add a total of 1,021 additional acres of park space, with the schedule of this development accelerated to occur within the first 10 years. Based on a budgetary analysis in cooperation with the Parks Department, average variable additional cost per acre for maintenance is \$4,032. Park acreage is to be distinguished from Green-way acreage, amounting to 266 acres, which does not require as much maintenance (i.e. only \$504/acre).
- (b) Current police expenditures net of Hartsfield-Jackson International Airport and administrative overhead are \$122,419,157, or \$665.14 per Atlanta household. Based on a review of the academic literature on economies of scale in public service provision, the relatively small incremental number of new households per year, and other factors such as effects on population density and lowering crime rates as a result of new development, the incremental cost per new household is adjusted by 0.55 to be \$365.83.
- (c) Current fire expenditures net of Hartsfield-Jackson International Airport and administrative overhead are \$65,551,149, or \$356.16 per household. Academic research indicates greater scale economies in fire service provision than in police protection, generating an incremental cost adjustment factor of 0.35 and a \$124.66 per incremental household per year service cost.
- (d) Public works refers solely to road maintenance (not capital expenditures), and is linked both to new road development with the TAD as well as the additional wear-and tear of incremental household and related commercial activity. Adjusting the current public works budget to focus only on road maintenance yields a current budget of \$25,251,381, which is \$137.20 per household. Adjusting for scale economy effects and the relatively modest projected incremental household and commercial activity yields an adjusted per incremental household figure of 0.45 or \$61.74.

Appendix : Further Information on Business Tax Calculations

Business Tax Revenue Calculations:

1. Note that this category includes:
 - a. Public utility franchise fees
 - b. Hotel-motel taxes: Not relevant to Beltline
 - c. Local insurance premium taxes (collected by state rebated to local governments based on population)
 - d. Alcoholic beverage taxes

A. Franchise Fee Calculation

1. Current Atlanta Franchise Fee Revenues: \$43,044,481
2. Divide by current # households 184,049
3. Franchise Fees per current household: \$233.88
4. Estimated household utility spending: Consumer Expenditure Survey figure for average household in South = \$2,891 x 184,049 = \$532,086,036
5. Weighted average Franchise Fee based on 4% rate for electricity and cable TV, and 3% rate for natural gas and telecommunications, weighted by past Seaman study showing % of fees paid to Georgia municipalities by each sector = 3.739% rate.
6. Total Atlanta household utility spending x .03739 = \$19,894,697
7. Implied ratio of household paid franchise fees in total = .4576
8. Adjusted household franchise fees per household = \$19,894,697 / 184,049 = \$108.09.

B. Alcoholic Beverage Tax Revenue Calculation

1. Current Atlanta Revenues: \$12,966,062
2. Assumed proportion of tax base generated by Atlanta households vs. tourists etc. = .45
3. Total revenue / current households = \$31.70

C. Insurance Premium Tax Revenues

1. Current Atlanta Insurance Policy Premium revenues: \$18,777,205
2. Revenue/ # households = \$45.91 (reflects that most revenue linked to individual policies or business paid premiums is linked to local population)

Conclusion:

1. The sum of these three per household revenues = \$185.70, which is then multiplied by the relevant number of incremental cumulative households to derive the direct tax revenues and then by 1.27 (rounded) to incorporate the induced tax multiplier revenue effects. Any small number disparities are due to rounding.