WHAT HAPPENS WHEN YOUR SPORTS TEAM LEAVES TOWN?



INTERNATIONAL MUNICIPAL LAWYERS ASSOCIATION
2022 ANNUAL CONFERENCE
PORTLAND, OREGON

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HUNTON ANDREWS KURTH LLP
ATLANTA, GEORGIA

TURNER FIELD (ATLANTA, GA) CASE STUDY

A. History of stadium development
   - The neighborhood
   - Dreams of mayor and mid-size southern city on the move
   - Financing methodology
   - Impact of professional sports and the Olympic Games

B. Relocation of a Team and Rebirth of a Community
   - Why they left – "stated" and "suspected" reasons
   - Community-focused development
   - How they did it



THE STADIUM NEIGHBORHOOD – TRANSFORMATION PROGRESSION OR REGRESSION

Late 19th Century

- Descendants of formerly enslaved and Jewish immigrants



Pre WWII

- Large immigrant population of Jewish, Greek and Syrian immigrants
- Commercial district, shops, markets, butchers, barbers



1950/60's

- Neighborhood fell victim to economic and political pressures
- Urban Renewal
- Highway construction



THE STADIUM NEIGHBORHOOD – TRANSFORMATION PROGRESSION OR REGRESSION

1960/65

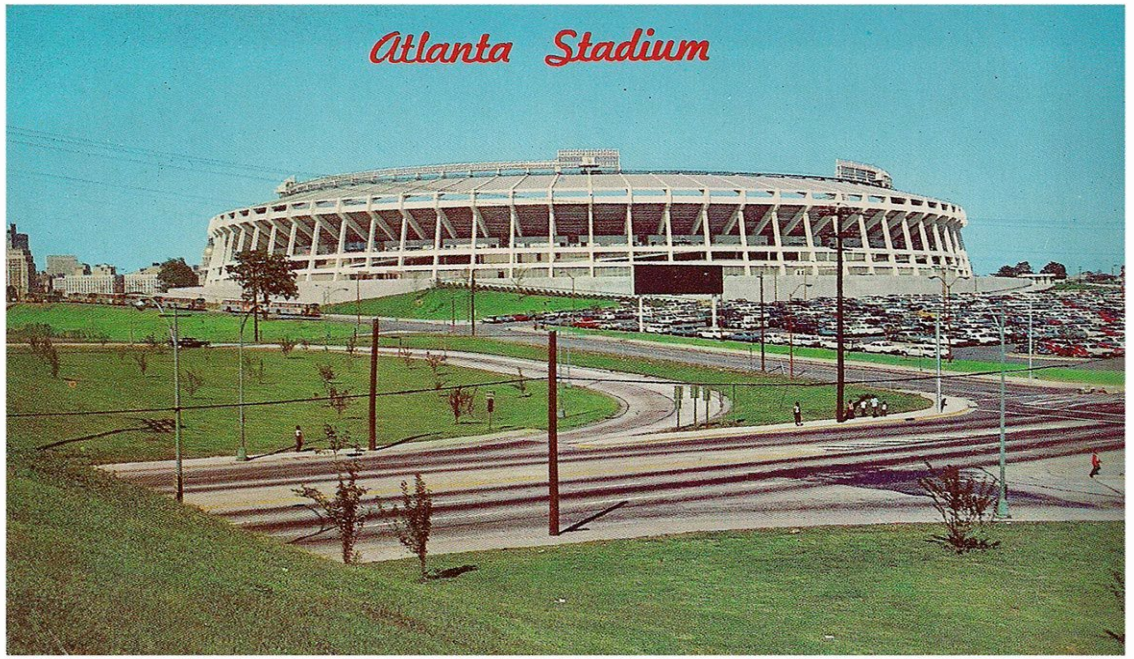
- Atlanta having just built largest airport terminal at the country's busiest airport (even then!)



Atlanta Municipal Airport terminal building, 1967.

1964-1966

- Push to transform small town with addition of professional sports



TERMS OF ORIGINAL STADIUM DEAL

- 12 months to build stadium
- 50,000 seat capacity
- To be owned by a joint City/County Public Instrumentality – "The Recreation Authority"
- 25-year lease with Braves (1965-1990)
- 10-year lease with Atlanta Falcons (1965-1974)
- $18,000 municipal bond financing secured by
  - Net facility revenues
  - Back-stop from City/County



CENTENNIAL OLYMPIC STADIUM



The Atlanta Journal

Covers Dixie Like the Dew

SPECIAL EDITION

Olympics report: Pages A6, A7, A8

VOL. 108, NO. 144 TUESDAY EVENING, SEPTEMBER 18, 1990 68 PAGES, 6 SECTIONS FINAL HOME 25 CENT

The 1996 Olympics

It's Atlanta!

City explodes in thrill of victory

- Atlanta awarded Olympics – 1990
- Olympic Stadium constructed adjacent to Atlanta-Fulton Stadium
- Neighborhood & resident impacts



PRINCIPAL OLYMPIC STADIUM TERMS

City to construct 85,000 seat open-air multipurpose stadium in Summerhill

- Recreation Authority land
- $230mm cost
- All private funding

Agreement for post-Olympic conversion to 50,000 seat, 8,900 parking space MLB stadium (Turner Field)

Braves to sign 20-Year Operating Agreement (1996-2016)

Terms of Operating Agreement

- Team retains ticket, concessions, parking, advertising/naming rights
- $500,000 annual rent
- $1-1.56mm Annual Capital Repair Contribution



EARLY POLICY DISCUSSION AROUND OLYMPIC STADIUM DEVELOPMENT

GENTRIFICATION

= Involuntary displacement of lower income residents with higher income residents by:

1. Higher rents or property tax bills;
2. "Upgrading" housing stock ; or
3. Changing the social fabric of community

IMPACTS OF STADIUM DEVELOPMENT ON COMMUNITIES

Replacement of

1. Locally-owned businesses
2. Affordable housing stock
3. Low-income min. community

ECONOMIC BENEFITS

- Net economic benefit?
- Local subsidies
- Crowding out effect
- Substitution effect

INTANGIBLE BENEFITS

- Civic pride
- Sense of community
- Table stakes for "world-class" status
- Substitution effect

PUBLIC POLICY EFFORTS TO COUNTERBALANCE IMPACT TO NEIGHBORHOOD

Benefits

* New development
* Jobs for neighborhood
* Economic benefits for City 81 days

Impacts

* Relocation again of legacy residents
* MORE CARS . . .
* Disincentive to convert vacant lots to non-parking venues
* 285 days limited commercial activity

Community Benefits Agreement (Imbedded in Operating Agreement)

* 8.5% of parking revenue to community non-profits
* First service hiring from neighborhood

IMPACT OF BRAVES – CITY/NEIGHBORHOOD

ECONOMIC IMPACT



- Est. 100mm/yr.
- $8.6mm/yr. state and local taxes
- 1,600 full-time jobs
- 32% of tickets from out-of-state

  = 110,000 annual hotel nights

NEIGHBORHOOD



- More profitable for neighborhood landowners to operate parking than clear lot and develop businesses
- Few dining or other services outside stadium walls
- 13 lighted and vacant 285 days/yr.

ATLANTA REDEVELOPMENT EFFORTS

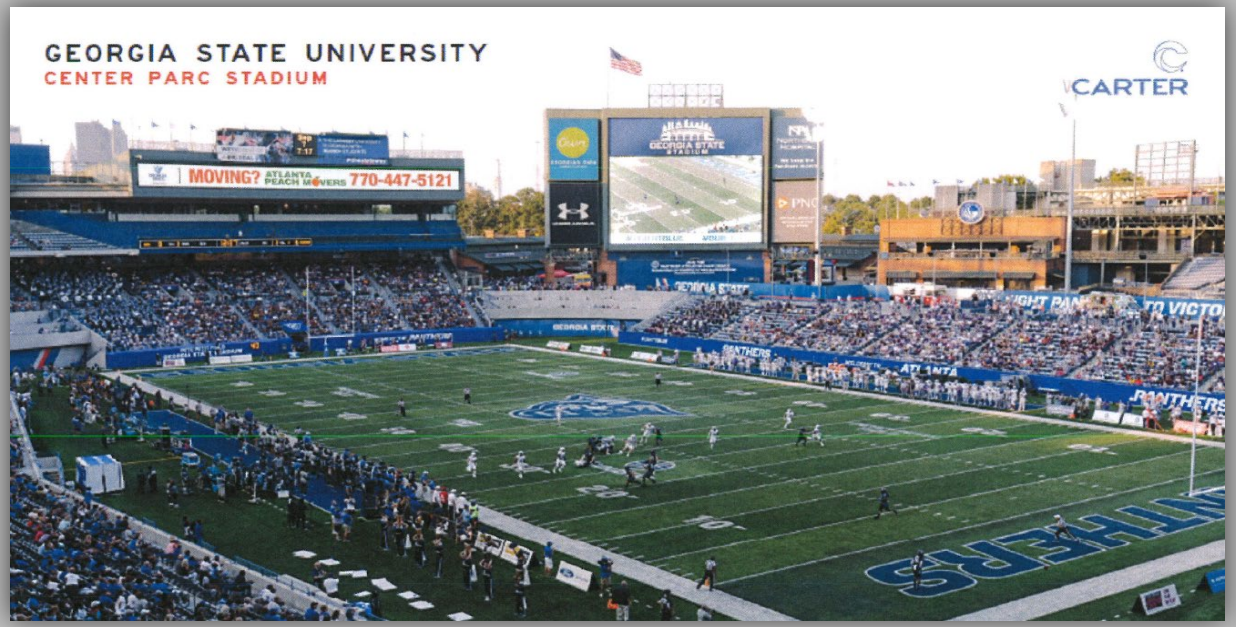
- Cost to “mothball” and “secure” stadium $1.0+MM/yr
- City Directive to Rec Authority
  - Collaborate with all stakeholders
  - LCI study
  - Competitive bidding
- Actions
  - Hired national real estate brokers
  - RFP to 4,000 pre-qualified bidders
  - Public forums & bid conferences



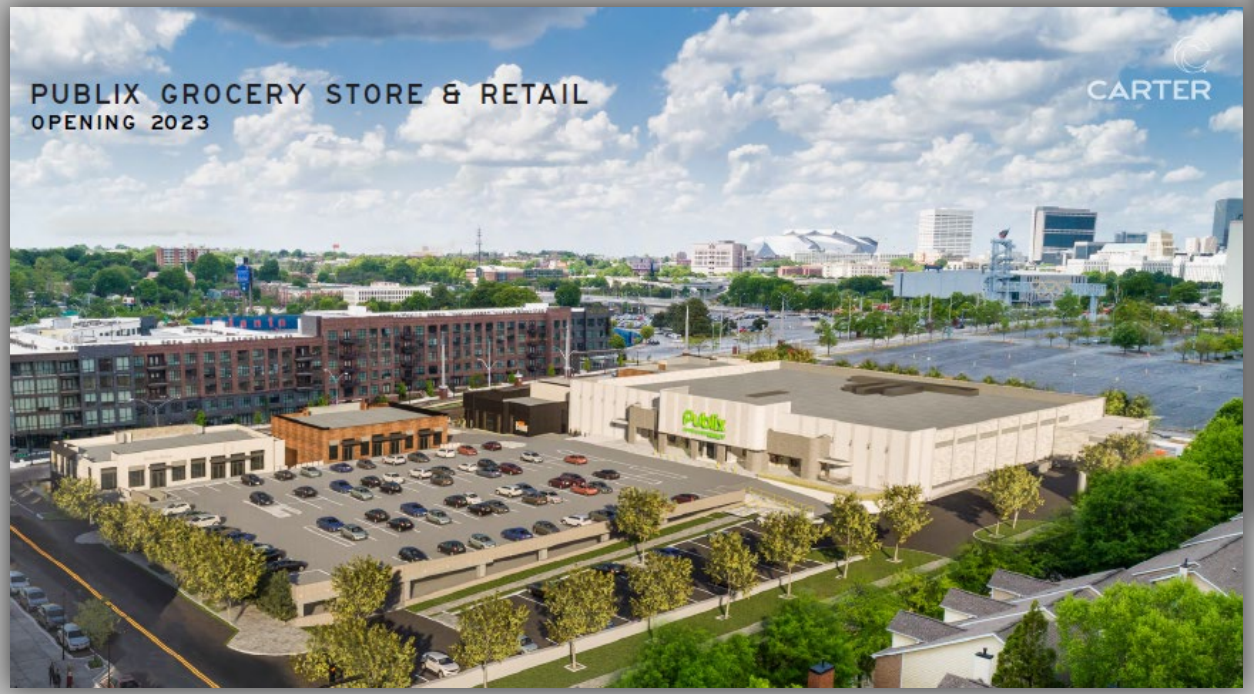
PUBLIC-PRIVATE DEVELOPMENT TEAM SELECTED

- Largest Public College (Georgia State) and consortium of private developers
- Sold for $30MM
- JU plans $550MM phase/development
  - 306 multi-family apartments
  - Redevelopment of 47,000 sq. ft. of existing retail
  - Development of 82,000 sq. ft. grocery anchored retail
  - 776 bed student housing development
  - 100 for-sale townhomes
  - 120 key-hotel with 9,000 sf. retail




GEORGIA STATE UNIVERSITY
CENTER PARC STADIUM
CARTER
MOVING? ATLANTA PEACH MOVERS 770-447-5121


565 HANK
306-UNIT MULTIFAMILY
COMPLETED 2021
CARTER
565 HANK
565 HANK
SUMMERHILL


PUBLIX GROCERY STORE & RETAIL
OPENING 2023
CARTER
Publix

NEGOTIATED COVENANTS

EBO PLAN	– Private JV partners commit To EBO Plan with 28% MBE/FBE Measured by value – Design and construction – Monitored compliance
LCI PLAN	– 15-Year workforce housing commitment – 10% residential Rental and For-sale – “Workforce Resident” = 80% AMI – “Workforce Buyer” = 100-115% of AMI
AD VALOREM PROPERTY TAX COVENANT	– 35% of gross acres (70% of developable space)
COMPLIANCE MONITORING	– Funded $300,000 to fund 3rd Party Compliance Monitor

EXCERPTS FROM DOCUMENTATION TO ENSURE FUTURE COMPLIANCE

Return To:
Fidelity National Title Group
5565 Glenridge Connector, STE 300
Atlanta, GA 30342
Attn: LK

----------SPACE ABOVE THIS LINE FOR RECORDER'S USE----------

This instrument was prepared by and after recording please return to:

Douglass P. Selby, Esq.
Hunton & Williams LLP
Bank of America Plaza, Suite 4100
600 Peachtree Street, N.E.
Atlanta, Georgia 30308-2216

LAND USE RESTRICTION AGREEMENT

by and between

CITY OF ATLANTA AND FULTON COUNTY RECREATION AUTHORITY

and

COHW SUMMERHILL FS, LLC

Relating to:

The Sale of Real Property in and around Turner Field

Dated as of January 5, 2017

WORKFORCE HOUSING REQUIREMENTS IN LURA

(Excerpt from LURA)

2. Workforce Housing Requirements.

(a) The Owner covenants and agrees that during the Workforce Period that:

(i) not less than ten (10%) percent of the Residential Rental Units and For-Sale Units (collectively, the "Housing Units") existing from time to time on the Property will, on a continuous basis, be leased, rented or sold (or subject to Sections 2(a)(v) and 2(a)(vi) hereof, with respect to Residential Rental Units only, "made available" for lease or rental) to Workforce Residents or Workforce Buyers, as applicable.

(ii) to the extent permitted by law, the Owner shall prioritize rentals and sales of Housing Units on the Property to Workforce Residents or Workforce Buyers (as applicable) who are Public Safety Workers.

(iii) except as provided in 2(a)(ii) above, the Owner shall not give preference in renting or selling Housing Units on the Property to any particular class or group of persons, other than Workforce Residents and/or Workforce Buyers, as applicable, as provided herein and the Owner will not discriminate on the basis of age, race, creed, religion, color, sex, marital status, or national origin in the sale, lease, use or occupancy of the Property;

(iv) the addition of any new tenant to an existing Residential Rental Unit occupied by an Workforce Resident shall require recertification of such Residential Rent Unit as an Workforce Unit;

(v) The Workforce Units rented or sold to Workforce Residents and/or Workforce Buyers, as applicable, shall be similar in construction and appearance (e.g., square footage, type and brand of appliances, materials used for countertops, flooring, etc.) to the Housing Units on the Property which are rented or sold at market rates and shall not be in isolated areas in specific areas of the Property, but shall be interspersed among Housing Units which are rented or sold at market rates, to the extent possible;

(vi) To the extent that Workforce Units are constructed, Owner shall reasonably coordinate with Invest Atlanta to locate and place Workforce

WORKFORCE HOUSING REQUIREMENTS IN LURA

(Excerpt from LURA)

7. **Agreement Binding; Runs with the Land.** This Regulatory Agreement and the covenants contained herein shall run with the Property and shall bind the Owner (including each managing member, special or limited member of the Owner, each of whom the Owner hereby represents to have authorized the Owner to bind by this Regulatory Agreement, and, to the extent controlled by the Owner or any of the foregoing, each person who is "related" to any of the foregoing within the meaning of Section 144(a)(3) of the Code), its heirs, legal representatives, executors, administrators, successors in office or interest, and assigns, and all subsequent owners of the Property or any interest therein, and the benefits shall inure to the Authority and its respective successors and assigns.

8. **Equal Opportunity.** The Owner will comply with the provisions of any federal, State, or local law prohibiting discrimination in housing on the grounds of age, race, color, religion or creed, sex, marital status or national origin, including Title VI of the Civil Rights Act of 1964 (Public Law 88-352, 78 Stat. 241), Title VIII of the Civil Rights Act of 1968 (Public Law 90-284, 82 Stat. 73), and Executive Order 11063.

9. **EBO Plan.** Owner and all current or future EBO Entities agree to comply with the terms and conditions of the EBO Plan.

10. **Reporting**. To the extent Owner or any EBO Entities have obligations under Section 5 and 9 hereof, each shall collect, or cause its applicable contractors or subcontractors to collect and provide the Authority or its Designee with periodic written information in such reasonable detail sufficient (in the reasonable discretion of the Authority or its Designee) to allow the Authority and/or its Designee to verify compliance with the Owners and/or the EBO Entities' obligations under Section 5 and 9 hereof.

Carter Development Process: Summerhill - YouTube



QUESTIONS


Thank
You!