

Legistar # 20120923

Amendment B

AMENDMENT TO URBAN REDEVELOPMENT PLAN OCTOBER 2012

Urban Redevelopment Plan Boundaries by Area and Negative Conditions

Franklin/Gateway/Delk Zone One (See Attached Map # A-1)

The Franklin/Gateway/Delk redevelopment target area encompasses developed parcels of land in the southeast quadrant of the City. Major landmarks and geographic boundaries include Highway 41, Interstate 75, South Marietta Parkway, Franklin Road, Delk Road and Terrell Mill Road.

The area contains by far the largest concentrations of rental housing and is considered to be a high priority area for redevelopment. Franklin/Gateway/Delk zone is home to fifteen blighted apartment complexes (built in the 1970's and early 1980's) and exhibits high commercial, retail and office vacancy. The current economic conditions of the area are depressed. Due to foreclosures and a weak economy, the apartment complexes are experiencing an increase in occupancy levels, but at a below market monthly rate. Marietta City Schools are showing an increase in enrollment from the apartment complexes with over 100 students enrolling from the hotels in the zone. The mobility of this student population makes it very difficult for the Marietta School System to provide long-term quality education for these children.

Businesses in this zone are suffering from the weakened economy and the demographics of the local population. Several large office buildings remain vacant and businesses are choosing not to lease space due to the negative perception of the area. Despite efforts of the Marietta Police Department, incidents of crime have increased each year from 2009-2012. Crime has caused some companies to consider relocating to other areas within the City of Marietta and has thwarted other businesses from locating in the corridor.



A Typical Business on Franklin Road

November 2009, Georgia Department of Community Affairs designated three areas of the city as Opportunity Zones. The Franklin/Gateway area is in Opportunity Zone One. At the time, the wide roadway of Delk Road served as its southern boundary buffer and was an unofficial deterrent to crime. Unfortunately, the city is experiencing a migration of crime moving south of Delk Road. The Northwest Business Park and New Market Business Park are experiencing high vacancy rates. Tenants have expressed concerns about the safety of their employees. The once productive business-oriented hotels have been converted to inexpensive nightly rentals offering a haven for crimes involving drugs and prostitution.



Available Light Industrial Space





Newmarket Business Park was built as a master-planned development from 1985 through the early 1990's. The park contains over 470,000 square feet of office space in six (6) buildings. According to data from the property owner:

"December 2008 the park was 94% occupied with rents in the \$11 to \$15 per square foot range. The park was able to secure long-term leases with credit-worthy and financially stable tenants. Employees of the tenants included levels from CEO's to service technicians. The surrounding infrastructure, local amenities, quality of the buildings and access to Delk Road/ I-75/Cobb Parkway made it a viable location for businesses.

Since the economic downturn, occupancy at Newmarket Business Park has gone from 94% to as low as 48% in 2009 representing an overall loss of over 215,000 SF. Since 2009, the property has secured a few more tenants and has maintained a 52% occupancy level for the past three years. The battle to secure additional tenants has been difficult with the majority of prospects going to newer, nicer buildings in Atlanta. The decline of the area and the resulting lack of tenants has lowered the rental rates from the \$11 to \$15 range to the \$6 to \$8 range, a 40% to 50% reduction.

Northwest Business Center, located on the south side of Franklin Road, contains 12 buildings totaling 471,952 SF. Sealy purchased this asset in November 2007 from First Industrial Realty Trust (NYSE: FR). The park was 96% occupied at the time of closing and by the end of 2009 the park had lost over 155,000 SF of occupancy and bottomed out at 63% occupied. Rents in the park have dropped from \$9-\$10 sf to a staggering \$3.50 - \$5.00. Since January 2010 the park has averaged 69% occupancy and there is no light at the end of the tunnel.



Newmarket Business Park-over 100,000 SF of vacant contiguous space

Although we continue to maintain and manage the parks in a Class A manner, the surrounding areas have only hampered our ability to bring in new tenants and therefore new jobs. The Marietta Motel, formerly Comfort Inn at the intersection of Franklin Road and Northwest Parkway, has cast a strong negative shadow over both Northwest Business Center and Newmarket Business Park. The Days Inn located with Northwest Business Center at 2129 Northwest Parkway is scheduled for an October foreclosure auction which will inevitably lead to an additional "Marietta Motel" operation advertising \$25 per night room fees. Transient foot traffic, prostitution, loitering, and drug transactions are prominent on Northwest Parkway. This month alone, I have had three (3) tenants move out of the park due to the perceived negative connotation and condition of the area".¹

Hotel at the entrance to Northwest Business Park



¹ Lex Rickenbaker, Sealy & Company, Regional Manager

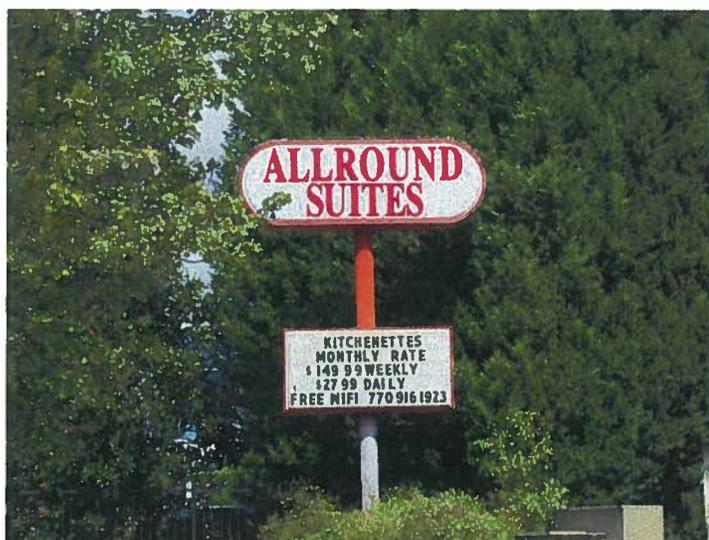
Additional hotels located in Northwest Business Park



Did not enjoy!!!!

August 11, 2006

Room was outdated, just felt dirty and nasty!! Towels and sheets need to be replaced. Our air unit did not work well, it was either very hot or very cold in the room. Best feature of the hotel, was the front desk clerk. She was very friendly and helpful.²



This hotel needed upkeep.

August 8, 2012

The room I stayed in had peeling wallpaper. The clock did not work. One of the electrical outlets did not have a cover on it.⁸

² Trip Advisor Comments

City leaders, members of Marietta Board of Education, business owners and property owners are concerned about the future of this corridor. Properties have continued to decline in value from 2009 to 2012. In an effort to examine additional economic resources, city staff has been directed to explore the feasibility of creating a Marietta CID encompassing the general area of Hwy. 41/I-75.

The expansion of the Urban Redevelopment Plan and Opportunity Zones will not solve all of the challenges facing the southeast portion of Marietta, but will offer a competitive edge to property owners in leasing properties. The subsequent employee base may then support a wider variety of local retail businesses in the area.

Existing Retail on Cobb Parkway-South of Delk Road









The lack of homeownership and excessive amounts of aging rental properties and vacant commercial properties pose a long-term challenge for the area. A collaborative effort involving representatives from GECD, city staff, and Marietta Development Authority continue to support a concept known as www.thegreentechcorridor.com



where business, academia and government collaborate in building renewable energy technologies of the future. In addition, Marietta recently received funding for a Livable Centers Initiative study partnering with SPSU and Life University to examine redeveloping South Marietta Parkway/ Cobb Parkway and providing improved visibility and better linkages between both universities. While the study does not include the expansion area of Opportunity Zone One, its close proximity to this area may provide some economic stimulus to the region.

Conclusion

This amended plan provides a roadmap to address blight and underdevelopment in the three target areas of the city of Marietta. Redeveloping the Franklin/Gateway/Delk area of Marietta will require considerable resources, funds and expertise. The amendment to the Urban Redevelopment Plan and the expansion of Opportunity Zone Map One is one Amended Oct. 2012/Amended April 2011

City of Marietta 2009 Urban Redevelopment Plan

of many resources necessary to assist in this endeavor. The city of Marietta recognizes its challenges and will continue to place the City on the path of revitalization and prosperity to ensure the future of Marietta and its citizens.

EXHIBIT 3

MAP OF BOUNDARY CHANGES FOR THE OCTOBER 2012 AMENDMENT TO THE URBAN REDEVELOPMENT PLAN AND OPPORTUNITY ZONE

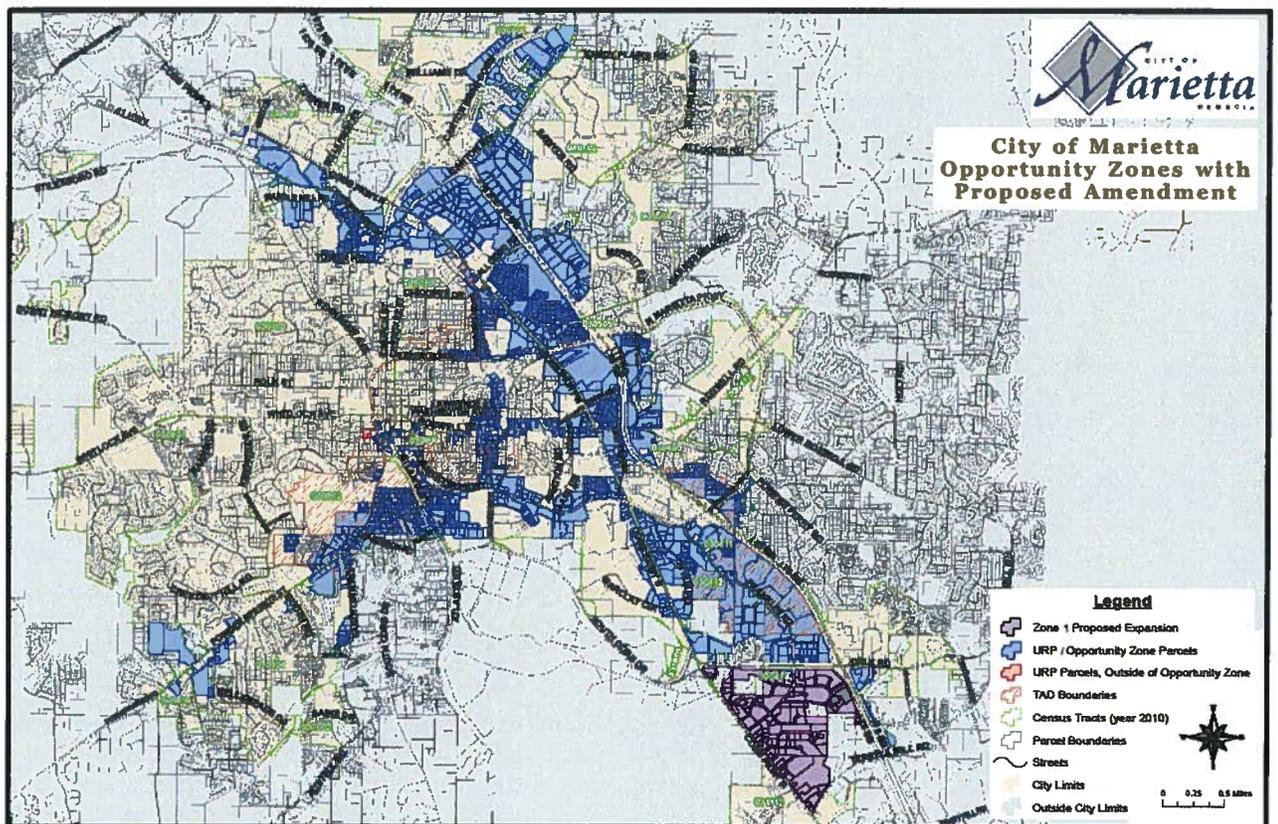
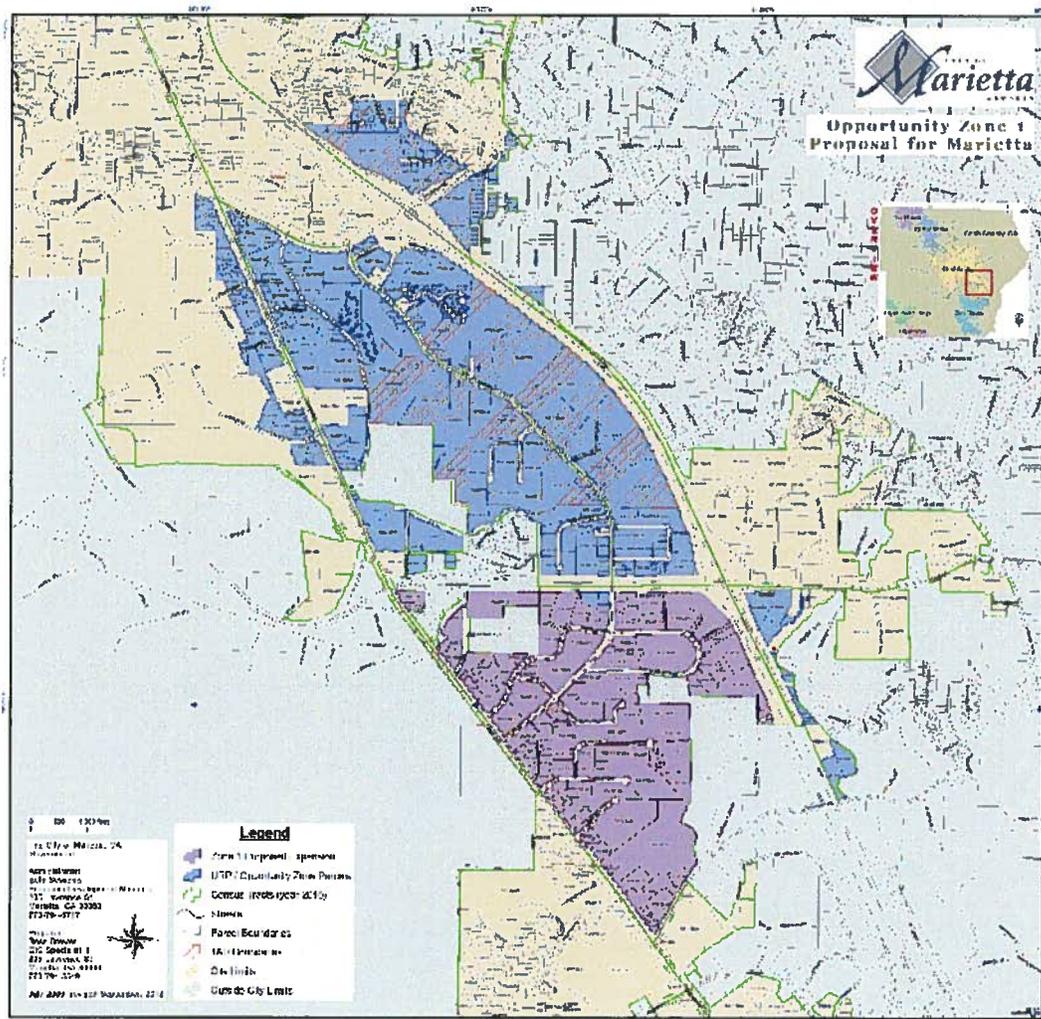


EXHIBIT A-1

AMENDED OPPORTUNITY ZONE 1 MAP FRANKLIN/GATEWAY/DELK



A RESOLUTION OF THE MAYOR AND COUNCIL FOR THE CITY OF MARIETTA; TO MODIFY AN URBAN REDEVELOPMENT PLAN FOR ONE OR MORE SLUM, BLIGHTED OR UNDERDEVELOPED AREAS WITHIN THE CITY OF MARIETTA, GEORGIA, PURSUANT TO THE PROVISIONS OF THE URBAN REDEVELOPMENT LAW, O.C.G.A. SECTION 36-61-8; TO AMEND AN APPLICATION FOR AN OPPORTUNITY ZONE FOR THE AREA ENCOMPASSED BY SUCH REDEVELOPMENT PLAN PURSUANT TO O.C.G.A. SECTION 48-7-40.1; TO PROMOTE THE PUBLIC HEALTH, SAFETY AND WELFARE, AND FOR OTHER PURPOSES.

WHEREAS, the Mayor and Council for the City of Marietta, Georgia (the "City") is the duly elected governing authority for the City; and

WHEREAS, Chapter 61 of Title 36 of the Official Code of Georgia Annotated provides for the creation of an Urban Redevelopment Plan for an Urban Redevelopment Project as those terms are defined in O.C.G.A. § 36-61-2; and

WHEREAS, Section 2.16 of the City Charter grants the Mayor and Council of the City, as the governing body of the City, the power to organize and operate an urban redevelopment program; and

WHEREAS, the Mayor and Counsel of the City have decided to designate themselves as the redevelopment agency for the City pursuant to O.C.G.A. § 36-44-4 (a) to exercise the redevelopment powers provided by Chapter 44 of Title 36 of the Official Code of Georgia Annotated; and

WHEREAS, O.C.G.A. § 48-7-40.1©(4) provides for the creation of Opportunity Zones to assist in the redevelopment of distressed areas where an Urban Development Plan is in place; and

WHEREAS, in 2009, the Mayor and Council of the City recognized that there is a need for the revitalization and redevelopment of areas of the City to develop and promote for the public good and general welfare housing, trade, commerce, and employment opportunities within the City;

WHEREAS, in 2009, the Mayor and Council of the City recognized that within such areas there exist certain "slum areas" within the City limits, as that term defined in O.C.G.A. § 36-61-2, in that there presently exist conditions such as: a predominance of buildings or improvements, both residential and nonresidential, which by reason of dilapidation, deterioration, age, vacancy, or obsolescence are conducive to crime and are detrimental to the public health, safety, morals, or welfare; the presence of a substantial number of vacant, deteriorated, or deteriorating structures; predominance of defective or inadequate street layout; faulty lot layout in relation to size, adequacy, accessibility, or usefulness for present or future development; development impaired by transportation noise or by other environmental hazards; or a combination of such conditions that substantially impairs or arrests the sound growth of the City, retards the provisions of adequate housing accommodations, and constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use; and

WHEREAS, it has been determined by the Mayor and Council of the City that the rehabilitation, conservation, or redevelopment, or a combination thereof, of such areas is necessary in the interest of the public health, safety, morals, or welfare of the residents of the City; and

WHEREAS, in 2009, the Mayor and Council of the City determined that such areas should be designated as Urban Redevelopment Areas as defined by O.C.G.A. § 36-61-2; and

WHEREAS, the Mayor and Council of the City prepared and adopted a workable program to eliminate and prevent the development or spread of "slum areas," as that term defined in O.C.G.A. § 36-61-2, to encourage needed urban rehabilitation, to provide for the redevelopment of such "slum areas," and to undertake such activities as may be suitably employed to achieve these objectives known as the 2009 Urban Redevelopment Plan of the City of Marietta; and

WHEREAS, in 2011, the Mayor and Council of the City have caused a public hearing to be held and adopted the minor amendment to the adopted 2009 Urban Redevelopment Plan of the City of Marietta which did not substantially change the plan pursuant to the provisions of O.C.G.A. § 36-61-7 ©; and

WHEREAS, in 2011, the Mayor and Council of the City amended the Urban Redevelopment Plan by adding parcels 16 12300 1000, 16 12300 0900, and 16 12310 0240 (also known as 55 Henderson St., 220 Crescent Circle, 216 Crescent

Circle) into the plan and includes the addition of said parcels into the Urban Redevelopment Plan Boundaries Zone 3 map; and

WHEREAS, in 2012, the Mayor and Council of the City amended the adopted April 2011/ 2009 Urban Redevelopment Plan by adding parcels:

1889 COBB PKWY S	17073100060
1871 COBB PKWY S	17073100050
1867 COBB PKWY S	17073100130
1869 COBB PKWY S	17073100080
1844 TERRELL MILL RD	17073100040
1865 COBB PKWY S	17073100090
1854 TERRELL MILL RD	17073100180
1795 COBB PKWY S	17073100110
1775 COBB PKWY S A	17071100270
1755 COBB PKWY S	17071100190
1737 COBB PKWY S	17071100220
1735 COBB PKWY S	17071100210
1715 COBB PKWY S	17071100140
1781 COBB PKWY S	17073000090
1671 COBB PKWY S	17071100050
1679 COBB PKWY S	17071100090
1669 COBB PKWY S	17071100150
1700 ENTERPRISE WAY	17071200200
1690 ENTERPRISE WAY	17071200190
1641 COBB PKWY S	17071200180
1726 ENTERPRISE WAY	17072900010
1625 COBB PKWY S	17071200110
1732 SANDS PL	17072900130
1750 ENTERPRISE WAY	17072900070
1605 COBB PKWY S	17065700010
1705 ENTERPRISE WAY 200	17072900150
1691 ENTERPRISE WAY	17071200170
1611 SANDS PL	17071200120
1655 ENTERPRISE WAY	17071200230
1999 DAVIS LN	17071200060
1734 SANDS PL	17072900140
1730 SANDS PL	17072900120
1991 DAVIS LN	17071200250
1621 SANDS PL	17071200210
1736 SANDS PL	17072900100
1738 SANDS PL	17072900110

1728 SANDS PL	17072900090
1581 COBB PKWY S	17065700070
1965 DAVIS LN	17071200040
1724 SANDS PL	17072900060
1698 SANDS PL	17072900050
1678 SANDS PL	17072900040
1668 SANDS PL	17071200150
1640 SANDS PL	17071200160
1551 COBB PKWY S	17065700020
1740 SANDS PL	1707290CMMN
1935 DAVIS LN	17071200030
1553 COBB PKWY S	17065700100
1769 SANDS PL	17072900080
1739 SANDS PL A	17072900030
1633 SANDS PL	17071200020
1531 COBB PKWY S	17065700110
2223 D & B DR	17080000140
2060 FRANKLIN WAY 200	17071300120
1415 FRANKLIN RD	17071300090
2070 FRANKLIN WAY	17072800070
2237 NORTHWEST PKWY	17072800030
2036 FRANKLIN WAY	17071300130
2221 NEWMARKET PKWY	17065600060
2221 D & B DR	17080000130
2053 FRANKLIN WAY	17072800090
2051 FRANKLIN WAY	17072800100
2049 FRANKLIN WAY	17071300110
1405 FRANKLIN RD	17071300080
2219 D & B DR	17080000120
2250 NEWMARKET PKWY	17065600070
2211 NEWMARKET PKWY	17065600050
2240 NEWMARKET PKWY	17065600020
1431 COBB PKWY S	17065600110
2231 NORTHWEST PKWY	17072800080
2245 NORTHWEST PKWY	17078500040
2275 NORTHWEST PKWY	17072800020
1405 COBB PKWY S	17064100020
2285 NORTHWEST PKWY	17071300030
2235 NORTHWEST PKWY	17078500050
2181 NEWMARKET PKWY	17065600040
1401 COBB PKWY S	17064100050
2241 NORTHWEST PKWY	17078500010
2236 NEWMARKET PKWY	17065600100

2171 NEWMARKET PKWY	17065600080
2225 NORTHWEST PKWY	17078500070
2161 NEWMARKET PKWY	17071300040
2229 NORTHWEST PKWY	17078500060
2270 NORTHWEST PKWY	17072800060
2230 NEWMARKET PKWY	17065600030
1395 FRANKLIN DR	17065600120
2217 D & B DR	17078600090
1355 COBB PKWY S	17064100010
1345 FRANKLIN RD	17072700020
1343 FRANKLIN RD	17071400040
1280 FRANKLIN DR	17064200200
1290 FRANKLIN DR	17064200170
2100 NORTHWEST PKWY	17072700010
2260 NORTHWEST PKWY	17072700090
2215 D & B DR	17078600110
2121 NEWMARKET PKWY	17071400030
2191 NORTHWEST PKWY	17078600070
1280 FRANKLIN DR	17064200200
2150 NEWMARKET PKWY	17071400090
2134 NEWMARKET PKWY	17071400130
2179 NORTHWEST PKWY	17078600080
2183 NORTHWEST PKWY	17078600100
2129 NORTHWEST PKWY	17072700040
1255 FRANKLIN RD	17072700100
2133 CORPORATE DR	17072700050
2151 NORTHWEST PKWY	17072700060
2110 NEWMARKET PKWY	17071400100
1250 FRANKLIN RD	17071400020
1276 FRANKLIN DR	17064200160
1233 COBB PKWY S	17064200020
1340 CAPITAL CIR	17078600050
2170 DELK RD	17072700070
2146 NEWMARKET PKWY	17071400110
2125 CORPORATE DR 109	17072700030
2150 DELK RD	17072700080
2140 NEWMARKET PKWY	17071400080
2130 NEWMARKET PKWY	17071400070
1351 DIVIDEND DR	17078600060
1295 FRANKLIN DR	17065500010
1215 COBB PKWY S	17064200180
1705 ENTERPRISE WAY	17072900020
1700 CUMBERLAND POINT DR	17071100200

1873 COBB PKWY S
1680 ENTERPRISE WAY
1395 FRANKLIN DR
1785 COBB PKWY S

17073100070
17071200260
17065600090
17073000080

to the plan and includes the addition of said parcels into the amended October 2012/April 2011/2009 Urban Redevelopment Plan Boundaries map; and

WHEREAS, it has been determined by the Mayor and Council of the City that the City may apply to the Georgia Department of Community Affairs to change the boundary of Opportunity Zones pursuant to O.C.G.A. § 48-7-40.1©(4) to assist in the redevelopment of distressed areas;

WHEREAS, the Mayor and Council of the City have caused a public hearing to be held on the amendment to the adopted April 2011/2009 Urban Redevelopment Plan and the proposed application for the changed Opportunity Zone boundary within such redevelopment plan of the City of Marietta on October 10, 2012 pursuant to the provisions of O.C.G.A. § 36-61-7; and

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Marietta, Georgia hereby designate themselves as the redevelopment agency for the City pursuant to O.C.G.A. § 36-44-4 (a) and to exercise the redevelopment powers set forth in Chapter 44 of Title 36 of the Official Code of Georgia Annotated and Section 1.14(41) of the City Charter;

BE IT FURTHER RESOLVED that the Mayor and Council of the City find that there exist certain "slum areas," as that term as defined in O.C.G.A. § 36-61-2, within the City limits, as set forth above;

BE IT FURTHER RESOLVED that the Mayor and Council of the City of Marietta, Georgia find that the rehabilitation, conservation, or redevelopment, or a combination thereof, of such "slum areas" is necessary in the interest of the public health, safety, morals, or welfare of the residents of the City;

BE IT FURTHER RESOLVED by the Mayor and Council of the City of Marietta that the adopted October 2012/April 2011/ June 2009 Urban Redevelopment Plan of the City of Marietta, a copy of which is attached hereto as Exhibit "B," is hereby further amended and adopted; and

BE IT FURTHER RESOLVED that the Mayor and Council of the City of Marietta hereby approve the submission of such amended and adopted October 2012/ April 2011/June 2009 Urban Redevelopment Plan to the Georgia Department of Community Affairs for the purpose of changing the Opportunity Zone boundary for the area encompassed by said plan; and

BE IT FURTHER RESOLVED that any and all resolutions in conflict with this resolution are hereby repealed.

DATE: October 10, 2012

APPROVED

R. Steve Tumlin, Jr.
R. Steve Tumlin, Jr., Mayor

ATTEST:

Stephanie Guy
Stephanie Guy
City Clerk

Approved as to form:

Douglas R. Haynie
Douglas R. Haynie,
City Attorney