



THE BRIDGE TO SUCCESS

THE ROLE OF A JOINT DEVELOPMENT AUTHORITY IN MAKING PROJECTS HAPPEN

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JOINT DEVELOPMENT AUTHORITY ("JDA")

- WHAT IS A DEVELOPMENT AUTHORITY?
 - A PUBLIC BODY
 - A SEPARATE LEGAL ENTITY
- FIRST TYPE: STATUTORY AUTHORITIES- ACTIVATED BY COUNTY AND/OR CITY UNDER "DEVELOPMENT AUTHORITIES LAW"
 - EXAMPLE- DALTON-WHITFIELD COUNTY JOINT DEVELOPMENT AUTHORITY
 - A JOINT CITY-COUNTY AUTHORITY, NOT A JOINT MULTI-COUNTY AUTHORITY
 - MEMBERS APPOINTED BY CITY, COUNTY, JOINTLY BY CITY AND COUNTY
- SECOND TYPE: "CONSTITUTIONAL" AUTHORITY
 - OLDER (NO LONGER CAN CREATE)
 - EXAMPLES- DOWNTOWN DALTON DEVELOPMENT AUTHORITY, CITY OF DALTON BUILDING AUTHORITY



THE ROLE OF THE JDA

- GOVERNMENTAL MISSION- ECONOMIC DEVELOPMENT (JOBS, INVESTMENT)
- DEVELOPMENT AUTHORITY IS THE LOCAL EXPERT
- EMPOWERED BY LOCAL GOVERNMENTS TO MAKE PROJECTS HAPPEN



HOW THE JDA CARRIES OUT ITS MISSION

- WORKS WITH LOCAL GOVERNMENTS, STATE OF GEORGIA, STATEWIDE ECONOMIC DEVELOPMENT COMMUNITY AND REAL ESTATE INDUSTRY
- SUPPORTS PRIVATE BUSINESSES
- BRIDGE TO WHAT IS NEEDED TO CLOSE DEAL



WHAT CAN THE JDA DO FOR YOUR PROJECT?

- FACILITATES SUPPORT FOR PROJECTS FROM STATE AND LOCAL GOVERNMENTS
 - EXAMPLES
 - LAND USE, INFRASTRUCTURE
 - INCENTIVES
 - GRANTS
 - IN-KIND
 - PROPERTY TAX SAVINGS



WHAT CAN THE JDA DO FOR YOUR PROJECT?

PROVIDES TECHNICAL ASSISTANCE

- STATUTORY INCENTIVES
 - EXISTING INCENTIVES AND PROGRAMS
 - JOB TAX CREDIT, QUALITY JOBS TAX CREDIT, MEGA PROJECT TAX CREDIT, INVESTMENT TAX CREDIT, PORT TRAFFIC INCREASE CREDIT, OPPORTUNITY ZONES, ETC.
 - NEW INCENTIVES AND NEW ECONOMIC DEVELOPMENT PROGRAMS



WHAT CAN THE JDA DO FOR YOUR PROJECT?

ENABLES PROJECT AGREEMENTS

- NEGOTIATES AND ENTERS INTO AGREEMENTS WITH STATE AND LOCAL GOVERNMENTS AND PRIVATE BUSINESS
- EXAMPLE- MEMORANDUM OF UNDERSTANDING (“MOU”)
- APPLIES FOR STATE GRANTS
- MONITORS ON-GOING ACCOUNTABILITY AND COMPLIANCE



WHAT CAN THE JDA DO FOR YOUR PROJECT?

FINANCING

- CAN PROVIDE BOND FINANCING FOR PROJECT
 - GOVERNING LAW MUST AUTHORIZE PROJECT
 - INDUSTRIAL AND COMMERCIAL PROJECTS AMONG THOSE AUTHORIZED
 - ISSUES INDUSTRIAL DEVELOPMENT REVENUE BONDS
 - JDA IS JUST A “CONDUIT”
 - BONDS JUST A WAY TO BORROW MONEY
 - PRIVATE BUSINESS RESPONSIBLE FOR REPAYING



BOND FINANCING

- ADVANTAGES
 - TAX-EXEMPT
 - LOW INTEREST
 - INTEREST-ONLY, CAPITALIZED INTEREST OFTEN POSSIBLE
- BESIDES BANKS, BONDS CAN BE SOLD TO MANY TYPES OF INVESTORS
- LONG TERM FINANCING AVAILABLE
 - WITH LETTER OF CREDIT, INCLUDING LOC FROM COMMUNITY BANK IF FHLB CONFIRMATION
 - WITHOUT LETTER OF CREDIT
 - MUST QUALIFY UNDER PARAMETERS FOR “PROJECT FINANCE”
 - FIXED RATES POSSIBLE



TIME IS OF THE ESSENCE!

- PROGRAMS ARE NOT ENTITLEMENTS
- NO OBLIGATION TO PROVIDE INCENTIVES OR BOND FINANCING
- TIMING IS IMPORTANT
 - GO TO JDA AT EARLY STAGE
 - AVOID “GONNA HAPPEN ANYWAY”



STRUCTURING

- JDA IS “DEALMAKER”, BUT-
- DEAL MUST BE “WIN/WIN”
 - CONSTITUTION- NO “GIFTS OR GRATUITIES”
 - ACCOUNTABILITY REQUIRED
- DEAL MUST BE “ON POLICY”
 - WITHIN SCOPE OF WHAT’S ACCEPTABLE TO STAKEHOLDERS IN COMMUNITY
- GENERAL LAW MUST BE FOLLOWED
- RESULT- NOT JUST PUBLIC/PRIVATE PARTNERSHIP, BUT PUBLIC/PUBLIC PARTNERSHIP
- JDA ROLE IS CENTRAL
 - FOR NEGOTIATED INCENTIVES, MUST HOLD TITLE TO PROJECT
 - TITLEHOLDING DOESN’T CREATE OTHER TAX OR ACCOUNTING ISSUES OR AFFECT MARKETABILITY OF PROJECT
 - BONDS MUST BE ISSUED



RETAIL EXAMPLE

FROM THE SUCCESSFUL NOMINATION OF A RETAIL FURNITURE STORE PROJECT IN GRADY COUNTY FOR THE 2010 “DEAL OF THE YEAR” AWARD BY THE GEORGIA ECONOMIC DEVELOPERS ASSOCIATION:

The Project created 35 new full-time jobs and involved the construction of a building for use as a retail furniture store. The Company’s capital investment in the Project is estimated to be approximately \$3,000,000. The Project was financed, in part, through the issuance of tax-exempt recovery zone facility bonds, a new type of exempt facility bond created by the American Recovery and Reinvestment Act of 2009, which were issued by the Joint Grady County Development Authority.



RETAIL EXAMPLE

FROM A STATEMENT BY THE EXECUTIVE DIRECTOR OF THE JOINT GRADY COUNTY DEVELOPMENT AUTHORITY:

“[This] was the first project in the State to be financed via the recovery bond program. ... In addition, a PILOT agreement among the Grady County Board of Commissioners, the Grady County Joint Development Authority and Turner Furniture was agreed upon, which reduced the company’s ad valorem tax liability. Furthermore, the City of Cairo secured an EIP loan through DCA on the company’s behalf. We are also in the process of designating the area as an Opportunity Zone through DCA to provide additional tax benefits to the company.”



MANUFACTURING EXAMPLE

FROM SEPTEMBER 2010 NEWS REPORTS OF THE ANNOUNCEMENT OF THE GREAT DANE MANUFACTURING PROJECT IN STATESBORO:

[The Executive Director] of the Bulloch County Economic Development Authority said Great Dane contacted her office six months ago as they looked at new sites around the Southeast. Great Dane, which makes refrigerated shipping trailers, closed their long standing Savannah plant nearly two years ago. “It came down to where was the best place for them to locate financially, and where they'd be able to grow. Here in Bulloch County, we have a 300 acre park out there that they can grow in,” [the Executive Director] explained.”



MANUFACTURING EXAMPLE

FROM THE MINUTES OF THE AUGUST 17, 2010 REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF BULLOCH COUNTY:

“[The Chairman of the County Commission] called on the [Development Authority’s attorney] ... to further discuss the details of the MOU, and [the Authority attorney] stated that the MOU lists the incentives that the County, the Development Authority, and the City are contributing towards the project. [The Authority attorney] discussed the goals and capital contributions that must be accomplished in 10 years in order for Great Dane to keep the incentives. [The Authority attorney] stated that, for tax purposes, the Development Authority will lease the property for a [multi]- year period.”



CONCLUSION

- IT IS DIFFICULT WITH ANY PROJECT TO “CLOSE THE GAP” AND MAKE IT HAPPEN
- THE JDA HAS THE NECESSARY TOOLS IN ITS TOOLBOX
- THE JDA IS YOUR PARTNER IN ECONOMIC DEVELOPMENT
- USE THIS RESOURCE EARLY AND OFTEN!



QUESTIONS?

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MORE INFORMATION

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