

INVEST ATLANTA

PROJECT NAME: TECH SQUARE TOWER (the Entrepreneur Dorm)

INVESTMENT \$68 Million

DEVELOPER/COUNSEL: Gateway Development and South City Partners

PROJECT DESCRIPTION: As technical prowess and the entrepreneurial spirit have moved earlier on in educational lives, more and more great companies are being started in dorm rooms. They are places that entrepreneurs can network and share ideas; shared living spaces are where entrepreneurs can immerse themselves in the culture of innovation for connections and mentorship. By supporting these innovative living spaces and linking them directly with a thriving start-up community, there is an opportunity to collaborate with like-minded peers and to engage in the startup economy all while maintaining a quality of life.

Tech Square Tower, to be located just north of Centergy at Tech Square in Midtown, is a mixed use office and residential tower (230 unit turn-key living solution that come fully-furnished and includes everything an entrepreneur needs to focus on their innovative ideas). The entrepreneur would get:

- Access to events, mentorship, speaker series
- Membership in the Tech Square Start-up Network
- High speed internet
- Utilities included: Water, Electric and Cable
- Fully furnished (work/sleep/eat) w all Kitchen appliances

PROGRAM GOALS:

- Open to all full-time student-entrepreneurs and entrepreneurs officing at Tech Square
- Retain entrepreneurs by establishing business roots in Atlanta
- Create more spaces to collaborate among student entrepreneurs and with the start-up community
- Connect more students and entrepreneurs with ATDC (Georgia Tech's incubator)
- Catalyze Atlanta's entrepreneurial ecosystem
- Position Atlanta as a location for cutting edge innovation
- Create new markets and new jobs in support of innovators

UNITS:

Total	#	%	SF
1 Bedroom	54	23	617
2 Bedroom	20	9	921
3 Bedroom	90	39	1,218
4 Bedroom	66	29	1,514
Total	230	100%	1,136

Market	#	%	SF	Monthly Rent*
1 Bedroom	31	15	617	\$1,035.00
2 Bedroom	20	10	921	\$1,430.00
3 Bedroom	90	43	1,218	\$1,965.00
4 Bedroom	66	32	1,514	\$2,565.00
Total	207	90%		

The project will be providing 10% of the total residential units in the project (23 residential units out of 230 total residential units) as affordable units at 80% of the area median income for the duration of the tax abatement period.

Affordable	#	%	SF	Monthly Rent*
1 Bedroom	8	35%	617	\$930.00
2 Bedroom	4	17%	921	\$1,325.00
3 Bedroom	11	48%	1,218	\$1,860.00
4 Bedroom	0	0%	1,514	\$2,460.00
Total	23	10%		

BENEFITS:

1. Of the 230 units, 10% (or 23 units) will receive a discounted rent equal to approximately \$105.00/month below Market Units (e.g. 1BR 2015-16 rate of \$930.00 vs. \$1,035.00) which is 31% less than the Midtown Atlanta Average Monthly rent (\$1,345.00/mo).
2. Opportunity to interact with incubator/start-up accelerator mentors in residence and VC firms both in office component of Project and in adjacent Centergy (ATDC) One building.
3. Additional funds for an entrepreneur curator for the building; Building coordinated events, speakers, training, programing and hiring of additional start-up literate management staff.

BENEFIT CRITERIA:

Either (a) individuals with incomes less than 80% of AMI regardless of their student status; or (b) a student who is actively engaged with a startup business ("actively engaged" meaning an owner, employee or intern of a business less than 36 months old) and has a financial need as stated in the FAFSA. Many young entrepreneurs struggle to make a living while pursuit their entrepreneurial dreams. Project will give them better opportunity to do so in Atlanta.

BENCHMARK:

Currently only 4 in the nation: Stanford, Columbia, Boston, New York University and University of Florida (opens in 2015)

TAX IMPLICATIONS:

Total Tax \$13.2m
 Total Tax Savings \$3.3m (over 10 years)
 Total Tax Payments \$10m (over 10 years)
 Current Tax Payment \$60k

DEFINED ECONOMIC DEVELOPMENT BENEFITS:

- \$68 million capital investment
- at least 180 construction jobs, 15 direct permanent jobs and multiple new employers
- increases in sales and use tax revenues
- increased economic output of \$97M throughout construction of the project
- estimated first year increase in property taxes of 1007% from \$60,000 to \$604,316
- estimated Total Economic Output of the project \$87M

BACKGROUND:

The City of Atlanta is a great place for entrepreneurs to start their business, and Georgia Tech graduates thousands of engineers annually. Now we want to leverage these existing resources to increase the City's job creation from the innovation community.

From 1996-2011, the Kauffman Foundation reported that the Atlanta MSA had the second largest entrepreneurial activity, only behind Los Angeles. Atlanta supported 500 per 100,000 adults in entrepreneurial activity compared to the lowest MSA, Chicago, with 180 per 100,000 adults (Kauffman Index of Entrepreneurial Activity). Now, we just have to tell the story!

