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Stamp of Approval Belmont Hills development gets go-ahead*Ashley Hungerford*

SMYRNA -- In an effort to move forward with a \$250 million mixed-used development, the Smyrna City Council unanimously approved a development agreement Monday with Halpern Enterprise for the redevelopment of the **Belmont Hills** shopping center.

The agreement offers a way to finance the mixed-use development at the corner of Atlanta and Windy **Hill** roads.

Belmont Hills was once hailed as the largest shopping center in the South when it opened in 1954. It now sits about 80 percent vacant.

The City Council approved a \$23.5 million tax allocation district subsidy for the redevelopment project in January. The project was awaiting county and school board approval.

A TAD is an incentive for developers to build in blighted areas to increase property values, which results in more tax revenue and requires cooperation among the city, county and school district to quickly repay project bonds.

But in February, the Georgia Supreme court ruled that tax revenue earmarked for schools cannot be used to fund redevelopment projects.

With the court's ruling, half of the potential TAD funding for the project was lost since school taxes make up half of the property taxes. School money would have backed \$11.7 million of the \$23.5 million TAD.

Since the court ruling, the City Council and staff have worked with **Belmont Hills** owner Jack Halpern to find a solution to fund the project.

Under the development agreement, City Administrator Wayne Wright said Halpern Enterprise will self-fund the TAD eligible expenses and be reimbursed from tax revenue generated by county and city property taxes as a result of the project.

Under Cobb County TAD guidelines, eligible expenses are limited to

infrastructure improvements.

Steve West, vice president with Halpern Enterprise, said they are looking for alternative sources of up-front funding to move forward with the project.

By doing it this way, Wright said no bonds are issued and Halpern Enterprise bears all the risk involved.

"If the project generates enough tax revenue, then he'll get his money back," he said.

The agreement is conditional, based on conditions imposed by the county as to how their tax increment is used in the reimbursement. Wright said the city got a letter from Cobb County Manager David Hankerson this week expressing the conditions.

Without the county increment, Wright said the project would not generate enough tax revenue to reimburse Halpern Enterprise.

The plan for the "New **Belmont**" is not much different than what Halpern Enterprise proposed in January.

The existing **Belmont Hills** Shopping Center would be bulldozed to make way for the project.

West said the project would be mostly residential with about 730 units divided between luxury rentals, town homes, single-family homes and condominiums.

The project will also have a senior age-restricted rental-housing unit, which is new from the original plans.

Because of current housing market conditions, Halpern said the residential portions will be built in phases as market conditions allow.

The project will also have about 110,000 square feet of commercial space, divided amongst retail, restaurants and office space.

"Our notion is to make it a place that people want to come and spend some time, and hopefully some money," Halpern said. "We hope that the New **Belmont** will be a source of pride."

The next step for the **Belmont Hills** project would be proper rezoning to accommodate its mixed-used purpose. That will be handled at a future City Council meeting, although no date is set.

As far as a timeline for when they'll start bulldozing the original shopping center, Halpern said as soon as possible.

"We're anxious to get started," Halpern said.

The Smyrna mayor and council seemed just as anxious to see the project get going.

"We've been awaiting this day to come," Mayor Max Bacon said. "That shopping center is ready for a make-over."

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