#SMARTer Together

Webinar Series
Ready for the Smart(er) City:
How Community Improvement Districts (CIDs) are Building the Future
Team Members

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Purpose of Study

Understand how CIDs have evolved over the years.

Create a foundational database going forward.

Understand how CIDs respond to advances in technological innovations.

Research Considered:

- Evolution & Formation
- Stakeholders & Motivations
- Economic Value & Financial Impacts
- Smart Cities & Innovation
CIDs Defined

Enables taxing authority for commercial property owners via public-private partnership model.

Allows private sector to improve public infrastructure by pooling funds and partnering with public agencies.

Allowable Purposes Under Statute

1. Street and road construction and maintenance
2. Parks and recreational areas and facilities
3. Storm water and sewage collection and disposal systems
4. Development, storage, treatment, purification and distribution of water
5. Public transportation
6. Terminal and dock facilities and parking facilities
7. Such other services and facilities as may be provided for by general law

Article IX, Section VII, Georgia Constitution
Research Methodology

Quantitative and qualitative data sourced through public records and CID input.

Three primary data products: tax digest, online survey, and follow up interviews.
First regional effort of its kind to identify relevant comparisons.
Peer Groups determine similar CID submarket traits.

Established Markets
- Comprised of 6 CIDs that are older, have higher density and higher assessed value.
  - Examples: Atlanta Downtown Improvement District, Buckhead

Pioneer Markets
- Comprised of 17 CIDs that have varied age, assessed value and tax revenues.
  - Examples: Gwinnett Place, Aerotropolis

Industrial Markets
- Comprised of 7 CIDs that are or were industrial centers.
  - Examples: South Fulton, Assembly
34 legal CIDs operating in 30 submarkets around Metro Atlanta.

Peer Groups
- Established Markets
- Pioneer Markets
- Industrial Markets
What was once a competitive advantage for commercial submarkets is now a competitive necessity.

Two-fold increase in formations in the last 15 years (versus previous period).

Enable ecosystems that handle a series of projects (versus a singular project).
Key Findings

The private sector provides oversight and management.

Average CID Board has 8 directors. **94%** are from the private sector, mostly **local, commercial property owners**.

**Community-facing model**
Staffed organizational model providing projects and services to the greater commercial area.

**Developer-centric model**
Master developer model providing financing for singular developments.
Attracting funding and investment is the primary reason CIDS form (65%) as well as to continue operations (80%).
Key Findings

Public sector is playing a greater role in CID formations.

Influenced 60% of CIDs formed in the last decade (2010-2019) versus 0% in the first decade (1988-1999).

Formation is a deliberative process, averaging 51 months.

Rising influence of the public sector shifts CID attention from attracting funding to economic revitalization.
Key Findings

Financial & economic impacts are significant.

- CIDs are geographically small but economically large.

- Average size (square miles) = 6.5

- Average amount of CID-taxable parcels in service area = 20%

- Total amount of assessed value ($41B in FMV, 2019) = $16B
CIDs are powerful drivers of economic development.

$875 million
Total taxes levied (1988 - 2019)
CIDs have contributed to billions of dollars in infrastructure projects.

1:5 leverage ratio

$760M leveraged into $6B (based on half of CIDs reporting).
Key Findings

Budget priorities and/or abilities differ by Peer Groups.
“Smart Cities” and communities are defined as the continuous improvement process that utilizes technology, data and other similar tools to improve community quality of life.

“Innovation” is defined as any novel technology, ideas methods and/or policies that create positive impacts on an industry, organization or community.
CIDs and their commercial real estate investors recognize the increasing value and necessity of innovation on their real estate performance.

70%
Consider technology and innovation important to their future

85%
Have or will complete smart projects in next 5 years
Key Findings

27 smart projects already undertaken with 15% funded in part by regional grants.

ARC’s LCI Funded Smart Project Examples

Little Five Points CID
In 2019, the Little Five Points CID was awarded $100,000 for the Euclid Avenue Smart Corridor Study.

Town Center CID
In 2019, Town Center CID was awarded $150,000 for the Chastain Road Corridor Study.

Aerotropolis CIDS
In 2019, Aerotropolis was awarded $350,000 for the Virginia Ave Smart Corridor Study.

Town Center CID
In 2020, Town Center CID was awarded $160,000 for the Bells Ferry Road Corridor Smart Mobility Study.
Although smart cities is seen as important, **barriers do exist.**

74% CIDS have little or no money budgeted, 45% depend on local governments to initiate projects, and **none** will pursue smart projects if gov’t funding is not available.
Key Findings

CIDs find smart city concepts too abstract unless tied to operations.

CIDs’ focus on transportation coupled with recent technological advancements provides a natural fit. It also presents an entrée to explore other smart applications.

Current Smart Project Applications:

- Traffic control and traffic counts
- Connected Vehicle technology
- Autonomous Vehicle infrastructure (ie - smart corridors)
- Public safety (ie - license plate readers, surveillance systems)
CID can serve as testbeds for innovation to scale

Aerotropolis Atlanta CIDs have leveraged LCI funds to invest in smart technology:

- Traffic signals with communication capabilities
- Connected vehicle functionality
- Remote timing ability
Key Findings

CIDs can be natural leaders in smart cities space. Their nimbleness allows the opportunity to pilot new technologies in real-world conditions.

While mobility, beautification, and public safety have been traditional CID pursuits, tomorrow's needs point towards digital infrastructure (fiber, power).
Because CID can retool purposes, they are early adopters in the urban innovation process.

Private sector management structures equip CID to handle changing real estate and political conditions.

Diversity of funding sources allows CID to withstand economic fluctuations.

More opportunities to join forces as CID proliferate.
Find Out More

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