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Ledbetter seeks TAD aid to redevelop old Kmart site, hopes to bring 20 plus new businesses to area

By Doug Walker DWalker@RN-T.com Jan 7, 2019 Updated Jan 7, 2019

Rome's Redevelopment Committee has agreed to move forward with an effort to create a redevelopment district in the area of the old Kmart on Hicks Drive.

Representatives of the Ledbetter Properties told the committee Monday they could not move forward with the acquisition and redevelopment of the nearly 20 acre site without Tax Allocation District financial assistance.

Wright Ledbetter explained the former Kmart site, abandoned since the summer of 2016, would qualify as a TAD district under at least two criteria.

The area would include another area previously designated for commercial development but is currently less desirable than redevelopment for new commercial use and the fact that the buildings by reason of obsolescence is conducive to high unemployment.

Ledbetter said there are just no users for the existing 180,000 square foot building and in order to acquire and demolish the existing buildings on the parcels, then take on new construction developers have a significant feasibility gap which only TAD financial assistance could close.

When a TAD is created local government sets a baseline for property taxes generated within the district. As improvements are made and taxes go up, a portion of the increased taxes are returned to the developer over a specific period of time to offset the cost of the development.

At this point, Ledbetter Properties is seeking between \$1.8 million and \$2 million over a 15 year period of time and proposing reconstruction of approximately 108,000 square feet of new space.

"We are fairly far along in discussions with these potential tenants," Wright Ledbetter said. "I'm very optimistic if not a little excited about some interest we have in this property."

Joe Holmes said he believed 90 percent of the new tenants would be new to the Rome market. Bob Ledbetter Jr. said the preliminary plans call for between 20 and 28 tenants and that his company would also make improvements to Hicks Drive as part of the project.

The business plan for the project, which is also still tentative at this time, estimates that development could create upwards of 400 new jobs and generate as additional \$2 million in annual sales taxes.

"Rome's demographics belie its potential as a growing retail regional hub for our area," Wright Ledbetter said. "A lot of the national retailers don't give us enough credit for drawing from a six-county footprint."

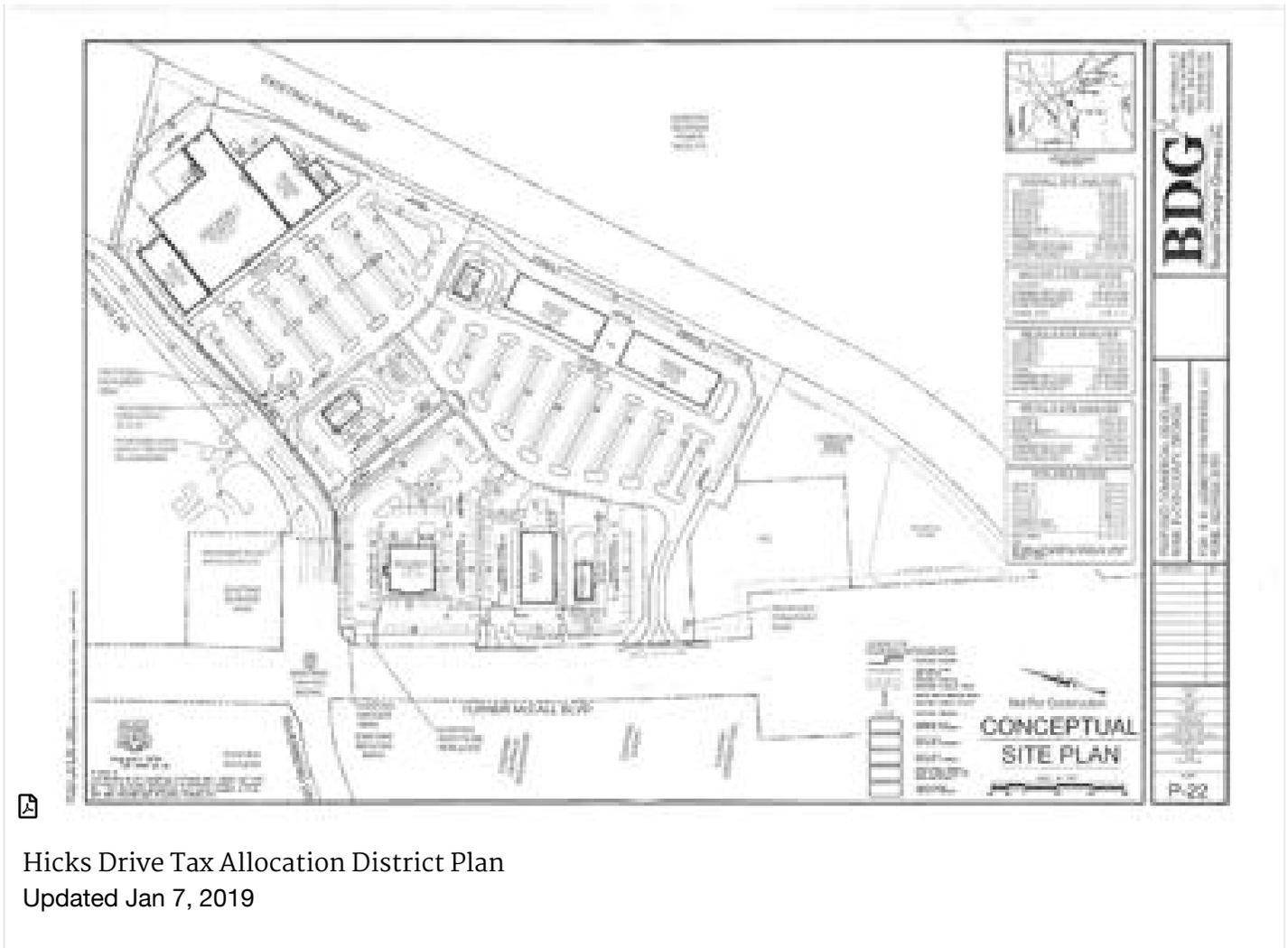
Rome Commissioner Craig McDaniel said the development could go a long way toward reversing the trend of local residents leaving the community to shop. Some of the retailers the developers are talking with currently have stores in the North Metro or Chattanooga area, Wright Ledbetter said, but are far enough away that putting a store in Rome should not hurt those locations.

"For Rome, the benefits and upside of this would clearly outweigh what's sitting on the ground over there right now," Wright said.

"People have discretionary money and they're going to spend it somewhere and we'd rather them spend it here," McDaniel said.

The committee agreed to have a consultant do a formal study to create the redevelopment district. Ledbetter Properties agreed to fund half the cost of that study, which City Manager Sammy Rich estimated could cost between \$10,000 and \$15,000.

The proposed timeline for the project calls for the closing of the property sale by May of this year, with site work getting underway by August and the first outparcels delivered as pad ready to potential tenants by next May and completion of primary construction by August of 2020.



Hicks Drive Tax Allocation District Plan
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