

Link Apartments Lake Park – School Impact Statement

Prepared by Grubb Properties

Executive Summary

Grubb Properties has acquired an existing office park in the Lake Park area of Smyrna. The property is currently developed as a low-rise office building, with a total of approximately 105,000 SF of space, including greenspace, a lake, and an abundance of surface parking for the office tenants. Grubb has renovated and re-tenanted the existing building. The company is seeking approval from the City of Smyrna to create a mixed-use development on the 9.73-acre parcel which would have retail space, coworking, and 277 units of its Link Apartment brand along with structured parking to accommodate all the uses on the site. This area has seen increasing development activity due to its excellent regional access and proximity to Truist Park and the Battery. The project is designed to provide an efficient and accessible housing product to attract young professionals. The development of Link Apartments Lake Park will create a more intensive development on the existing 9.5 acres of the site through the addition of retail space, office space, and housing units. This statement will address the fiscal impacts from the redevelopment of Lake Park Atlanta Office to Cobb County Schools, which operate the public-school system in the City of Smyrna.

Development Overview

Grubb Properties is seeking approvals from the City of Smyrna for additional development on the parcel. The property is located on the southwest side of Cobb Parkway, across from Target and the Wellstar Windy Hill Hospital. The redevelopment will be a residential building with retail and office uses. The development plan for 2400 Lake Park Dr. SE is summarized on the following exhibit.

2400 Lake Park Dr SE			
Building	Land Use	SF/Units	Operational
Existing Building			
2400 Lake Park Office	Office	104,694	Existing
New Development			
Multifamily/Mixed-Use	Retail	10,148	2024
	Coworking	10,987	2024
	Multifamily	277	2024
Total Development			
	Square Feet	21,135	
	Units	277	

Source: Grubb Properties

Estimating Education Costs from Students from Link Lake Park

Lake Park is in the City of Smyrna, which is in Cobb County. As a result, public-school students from Smyrna attend the Cobb County School District. Cobb is the second largest school system in the state and 25th largest in the nation with over 107,000 students enrolled and over 110 educational facilities throughout the County. Cobb County School District is also the largest employer in Cobb County.

A review of budgetary data for the Cobb County School Board indicates that for the FY 2021 school the total budget for the year is \$1.168 billion. Of that total, \$605 million will be generated in the current year from various local revenue sources. Property taxes account for \$541 million of the revenues

generated by the school system, with significant other funding from state and federal resources. We estimate that 46.3% of the Cobb County School current year revenue comes from property tax sources.

According to its 2020-2021 fact sheet, Cobb County currently has 107,379 students enrolled. Dividing the Cobb County Schools budget by the number of students in the system yields a per student education cost of \$10,882. Of this total per student cost, 46.3% comes from the property tax, or \$5,038 per student. Thus, in consideration of local education costs, this is the portion of local educational costs that would be necessary to generate from property taxes to cover the cost of educating a student in the Cobb County School District.

The next issue is estimating the number of new Cobb County students that would be generated from new development at Link Apartments Lake Park.

The Number of Students from Link Apartments Lake Park

An estimate for the number of school students who will reside at Link Apartments Lake Park can be made based on data generated for detailed household demographics by tenure, unit type and number of bedrooms in the unit. This estimate is based on data generated by the Center for Urban Policy Research of Rutgers University in 2006 for the state of Georgia from a study funded by the Fannie Mae Foundation. This data provides the most accurate multipliers for residents and school aged children by tenure and number of bedrooms in the unit, available at the state level. It is based on a special analysis of U.S. Census data. Since the 1970s, the Center for Urban Policy Research at Rutgers University has been recognized nationally for their expertise on fiscal impact analysis, having authored the definitive research on this topic for over four decades under the direction of Dr. George Sternlieb, Dr. Robert Burchell and Dr. David Listokin. While the data is now more than a decade old, the critical ratios it is based on change only very gradually over time. For example, the number of persons per household in Cobb County has essentially remained the same over the past 20 years. In 2000, the average household size was 2.71. According to the American Community Survey, Cobb County average household size has decreased to 2.64. Presented below is an estimate of the number of residents and school students that will be living at Link Lake Park once it is completed, according to the development plan outlined earlier. This exhibit shows an assumed occupancy of 95% and, based on the number of those units and their bedroom configuration, estimates the number of residents and school public-school students that will be living there collectively.

Link Lake Park Estimated Residents and School Students							Total
	Total	Occupied	Persons/	Total	Total	Total	Public
	Units	Units	Unit	Persons	School Age	School Age	School
					Children/Unit	Children	Students*
1 bedroom	213	202.35	1.52	307.57	0.08	24.61	21.65
2 bedroom	64	60.80	1.98	120.38	0.16	19.26	16.95
Total	277	263.15		427.96		43.87	38.60

*Cobb County public/private school enrollment ratio

Sources: US Census, Cobb County SD, Rutgers University CUPR "Residential Demographic Multipliers (Georgia)", 2006, Fannie Mae Foundation, Private School Review

As these projections indicate, stacked flat apartments tend to appeal primarily to two groups: The first are single individuals or couples without children, who are part of the Millennial generation and have not formed families as yet, or the second, Generation X or Baby Boomer households with no children present in the household, often empty nesters or childless couples or "mingles" living together.

The Net Fiscal Impacts to Cobb County Schools from Link Apartments Lake Park

Based upon other comparable properties in the area, we have calculated our anticipated tax revenue contribution.

Sync at Jonquil had a tax bill of \$614,676.40 of \$422,604 went to the Cobb County School District general fund for a per unit school rate of \$1,582.79. Applying that same rate the to prosed to Link Apartments Lake Park would yield \$438,431.87. Using the aforementioned methodolgy for calculating public school age children for apartments, the 39 children would cost \$196,482. This would result in a net tax benefit to the school district of \$241,949.87.

The Link Apartments Link Park will focus on a younger demographic, targeting young, unmarried, professionals, age 25-34, who have not started families. This is reflected in our unit mix which is approximately 75 percent studios and one-bedroom units. Across Grubb's portfolio of approximately 2,000 Link Apartment units, there were only six school-aged children for an average of .003 children per unit. Based on the Link Apartments average, we would anticipate one school-aged child at this property resulting in a far greater tax benefit to the Cobb County School District.