

*The transfer of the former Fort McPherson base from the U.S. Army to the McPherson Implementing Local Redevelopment Authority (MILRA) and the simultaneous sale of a portion of the property to Tyler Perry Studios (TPS) unleashes an unprecedented opportunity for investment in the neighborhoods of southwest Atlanta. It was a complex transaction between multiple parties. In the spirit of continued transparent public communication, the legal documents from the transaction were immediately posted to the MILRA website. Given the length and complexity of the documents, we have summarized here key points of interest to the public. As always, we welcome questions about this or other information in the documents.*

**Job creation, economic development, and reinvestment of proceeds:** The Army agreed to sell the former base to MILRA for \$26 million – significantly less than the property’s appraised value – because MILRA plans to use the property to bring jobs and economic development back to the community. All proceeds received by MILRA upon any sale or leasing of portions of the property must be reinvested back into the property until seven years after the final conveyance of all of the property, including the environmental parcels (see below).

**Payment schedule and letters of credit:** The agreements include payment schedules between both MILRA and the Army, and TPS and MILRA. Unlike many real estate deals secured with a mortgage, the Army now requires a higher level of security for these transactions. To meet this requirement MILRA provided letters of credit totaling \$13 million, guaranteeing the Army will receive all future payments owed. TPS has likewise provided MILRA letters of credit totaling \$10 million to cover future payments. MILRA is securing the final \$3 million with proceeds from the sale to TPS. In addition, to meet the Army’s requirements, the City of Atlanta has provided a further guarantee for the \$13 million owed by MILRA.

**Environmental parcels:** The Army is responsible for environmental cleanup of one parcel amidst the portion of the property acquired by MILRA and three amidst the TPS property. The Army maintains that responsibility in perpetuity. As is typical in base closures, these parcels will not transfer until that cleanup is complete, which is anticipated within a year for the TPS parcels and perhaps up to five years for the MILRA parcel.

**Limitations on uses of the MILRA and TPS properties – and Right of First Offer:** At the heart of the strategy for the community to realize the greatest economic impact from the new film studio is the commitment that businesses supporting the film studio will be developed outside the studio property. This unusual approach for a film studio will benefit the community by making those businesses accessible to the surrounding neighborhoods – attracting other businesses as well. Thus, the legal agreements memorialize the commitment of MILRA not to build a film studio and TPS not to build the supporting businesses. The agreements also include MILRA’s commitment to keep TPS apprised as it

engages third party developers to develop MILRA's portion of the property, which will afford TPS the chance to perhaps invest in those developments. The agreements require that the MILRA portion of the property not be developed as a film studio – even if TPS purchases a portion of that property. And the agreements require that in the unlikely case of something catastrophic preventing TPS from building a film studio that MILRA will have an opportunity to return the property to public hands.

**Historic preservation:** Given the extraordinary historic values of some of the buildings on the former Army base – some of which were built in the late 19<sup>th</sup> century, 75 structures have been individually designated with historic covenants. MILRA, TPS and future owners of the buildings are required to get permission from Georgia's Historic Preservation Division – the state historic preservation office, or SHPO – before altering the exterior of the structures.

**Homeless assistance:** MILRA retains responsibility for its unwavering commitment to 325 housing units for the homeless and 19,100 square feet of office space for homeless support services – all of which will be achieved within the resources retained by the Redevelopment Authority and with additional assistance from the City of Atlanta.

**Road access and construction:** The boundaries agreed upon between MILRA and TPS portions of the property required MILRA and TPS to enter into an agreement with the US Department of Veteran Affairs to replace a road that will no longer be available to the VA Medical Center. The new road will be located entirely on MILRA property, and will serve the VAMC and future developments. MILRA agreed to fund this road and TPS agreed to allow the VA and MILRA to continue use the existing road through the TPS portion of the former base while the new road is being constructed.

**Noise restrictions:** As our community welcomes the film studio and the opportunity to draw hundreds of millions of dollars of investment to southwest Atlanta, MILRA has committed to being a good next-door neighbor by agreeing to not host events or other activities that will create noise that is disruptive to the business of creating film and television.

*Now that these transactions are complete, the Redevelopment Authority is proceeding with aggressive marketing of the site, planning and design, and securing funding for demolition and infrastructure development for the 145 acres. Our planning is well underway; the results of the technical assistance panel organized by the Urban Land Institute (ULI) will help frame the upcoming Livable Centers Initiative (LCI) study. In addition, we are collaborating with our partners at the City and the State on innovative approaches to not only training people in the community for the jobs that will be created, but matching them with those jobs to help ensure they benefit from the redevelopment.*