

Report of the City of Sandy Springs North Fulton Campus of Gwinnett Technical College Planning Committee

BACKGROUND

In 2010, the Technical College System of Georgia (TCSG) moved North Fulton County into the service area for Gwinnett Technical College (GTC) from the previous Lanier Technical College service area. Shortly after this decision, the City formed a planning committee of community and business leaders to evaluate the benefits of establishing a campus of GTC in Sandy Springs.

The Greater North Fulton Chamber of Commerce, working in partnership with GTC, developed and issued an Indication of Interest (IOI) calling for proposals from cities, development authorities, property owners, developers, and other organizations on the possible location of a GTC campus in North Fulton. Under the IOI, successful proposals are anticipated to include the donation of \$5,000,000 in land or cash (or a combination of both), which will demonstrate significant community support. The contribution is a one-time contribution.

ECONOMIC IMPACT

How will a GTC campus impact economic development? Based on information provided by Gwinnett Tech, GTC has more than 45 programs including Accounting, Business Management, Computer Information Systems, and Early Childhood Care & Education. Over 43% of the students are enrolled in health sciences programs. Many issues are consistently raised in the United States today and they include weakening education, lack of skilled workers, and the disappearing middle class. Gwinnett Tech meets those issues dead on. And, over 98% of Gwinnett Tech's find employment in very important jobs for any community.

What is the direct economic impact to Sandy Springs?: Over time, the school, just in facilities, will invest \$50-\$100 million in Sandy Springs. Important figures from GTC's existing campus in Gwinnett include:

1. Over 50% of the students have attended college and/or have a bachelor's degree
2. Over 10,000 students enrolled
3. 73% of the students are from Gwinnett
4. Full time staff of over 250 and payroll exceeding \$20 million

It is important to note that a new Gwinnett Tech in Sandy Springs is a 2nd Location not an expansion of their current facilities. The Committee estimates that every day many people in the population of Sandy Springs want and/or need additional education to advance their careers and income. From this conclusion, the easiest answer would be to attend the closest, high-quality school. And, if you graduate from this school, there are good options to work for companies in Sandy Springs. Sandy Springs employment base both private company and healthcare is enormous.

The economic impact is as follows:

1. Direct spending for capital improvements, goods, services, and supplies by Gwinnett Tech.
2. Direct spending by faculty, staff and administration by Gwinnett Tech.
3. Direct spending by students.
4. Jobs filled in Sandy Springs by graduates of Gwinnett Tech.
5. Companies attracted to locate in Sandy Springs because of continual supply of skilled workers.

All of the economic impacts have multipliers. If one Sandy Springs company becomes a preferred vendor for Gwinnett Tech, his company makes money. He pays his employees. His employees buy homes. They buy goods and services. And, on and on.

From the tax revenue impact perspective, we know that the amount budgeted in FY2011 for Sandy Springs is approximately \$83 million. Over 70% (approximately \$60 million) comes from Real Estate Taxes, Sales Tax, Business and Occupational Tax, and the GA Power Franchise Fee. All of the economic impacts above will contribute to these numbers.

There are many studies on the economic impact of community colleges. Every study the Committee reviewed was very positive, and indicated millions of dollars of positive impact depending on the situation¹. The State of Texas estimates that annually, the economic impact of all their technical schools exceeds \$10 billion. A one-time investment of \$2.5 million for a lifetime of new students is very wise money spent.

SITE SELECTION

The Sandy Springs GTC Planning Committee evaluated numerous locations throughout Sandy Springs as potential sites. The starting point concentrated on possible redevelopment sites, where conversion to an institutional use would be a neighborhood improvement, while meeting the requirements set forth in the IOI. Property types for consideration for a new technical college campus included:

¹ Additional comparison information will be provided at the Council meeting.

Poorly Occupied or Under-utilized Shopping Centers:

River North Shopping Center: There was a high level of interest from the general public and the elected officials that this location be considered, however the owner did not want the technical college at this location; in fact, it appears that the owner is proposing another shopping center site in which he has an interest, located in the City of Roswell.

North Springs Shopping Center: The owner indicated an interest in having the college located at this site, however advised that a new lease had been signed with an existing major tenant for a period of five (5) years, and therefore most of the center would not be available for the proposed technical college. What space that is leftover would be insufficient to meet the needs of the technical college. The possibility of including the Tom Jumper property to achieve greater acreage was also considered, but ultimately rejected as the property remains highly desirable, is not dilapidated, and will be quite viable again as the economy improves.

Obsolete Apartment Complexes:

Northwoods Vicinity (Roswell Road at I-285): The President of Gwinnett Technical College advised the search committee that there is no desire to locate a potential campus south of I-285, effectively eliminating any discussion about the apartment complexes in this area. Additionally, due to the nature of the many small properties at this location, realistic assemblage would be difficult to achieve for the purposes of this exercise.

Empirian Apartments: The complex's location next to GA 400 and the Northridge Road interchange is desirable, however; it is already zoned for 30 units to the acre, which makes the property difficult to acquire due to the value associated with the existing high density. The occupancy of the complex is high enough to generate a positive return, thus negating any real possibility of acquiring the property for a price that is low enough to compete with the lower land prices of available sites in Roswell and Alpharetta.

Azalea Park Apartments (Dunwoody Place): With a high occupancy rate, the complex generates a large positive return to the owners, and therefore presents the same economic problems in terms of land value as explained for the Empirian site.

Windridge Apartments (Northridge Road and Roswell Road): Although the owner is quite interested in selling the property, the net cost of this land to the Technical College System of Georgia, including demolition costs, would be in excess of \$12 million. This again makes the site non-competitive against land costs that Roswell and Alpharetta can offer.

Conclusion:

After examining properties that the City would like to see redeveloped it is the committee's opinion that the city cannot offer a site that would be selected against our competing sister cities. Higher land values in the City of Sandy Springs, coupled with the minimum acreage needed by the school to locate a new campus in North Fulton make redevelopment of existing apartment properties for this purpose financially unrealistic.

The Technical College System of Georgia will eventually issue bonds to finance the construction of the new college. The President of the college has mentioned a range of \$45-\$50 million to be included in a State bond issue (possibly five (5) years from now). If the acquisition of a potential site uses a considerable portion of this projected bond issue, there will not be enough money left to build the technical school.

North Springs MARTA Station Site

The IOI provided to the respective cities by the North Fulton Chamber of Commerce lists the criteria necessary for a successful proposal. The first two (2) criteria are:

- Proximity to transit
- Proximity to major transportation corridors

Based on these criteria alone, there is no other site in the entire North Fulton area that better meets these requirements than the North Springs MARTA site. The opportunity of access to the region's major transportation thoroughfares such as GA-400 and I-285, coupled with the adjacent location to the MARTA rail station are a huge benefit to the proposed institution and the metropolitan area as gasoline prices rise, population grows and congestion increases.

Additional positive aspects of the North Springs MARTA site include:

1. The MARTA site is already zoned for one ten (10) story high rise building, two 14 story high rise buildings and one 20 story high rise building and requires no additional zoning for the proposed institutional use.
2. MARTA has indicated an interest in a long term ground lease with favorable terms for the proposed institution due to the prospect of increased ridership at this location, along with the lack of viable commercial development for this site in the near future due to market constraints.
3. Traffic will be more diffused from a college than from the office buildings that are currently zoned for the site. As the proposed college attendance is spread over more than 12 hours per day, instead of being concentrated at peak hours, as would be the case for the intended high density commercial office use presently zoned on the property.
4. The committee recognizes that on-going capital improvements to Peachtree Dunwoody Road, including widening will be necessary in the future, regardless of whether the technical college is placed at this site or the property is developed under its current zoning.

Conclusion (Part 2):

The proximity of the MARTA rail site to mass transit and major automobile thoroughfares, coupled with the existing zoning, extremely favorable financial terms on a long term land lease and economic development impact created by thousands of students, high paying staff jobs and constant stream of highly-educated technical school graduates for the community and metropolitan area make the North Springs MARTA site the most viable option for a new location of Gwinnett Technical College in North Fulton County.

Zoning Analysis of MARTA Site

The North Springs MARTA property is zoned O-I (Office and Institutional District) conditional under Fulton County zoning case Z85-0072. The conditions of approval for this case limit the site to 1,074,760 square feet of office space with a maximum height of 20 stories.



The Indication of Interest (IOI) issued by Gwinnett Technical College outlines the anticipated total square footage of usable space as 250,000 square feet. Based on the conditions of Z85-0072, the proposed square footage could be accommodated. However, when reviewing the conditions from this case beyond the use, square footage and height restrictions, there are some conditions of approval that would need to be modified through a Zoning Modification to accommodate the proposed development.

A Zoning Modification is a request to change an approved condition of zoning or use permit, except for conditions that pertain to a change in use, increase in density, and/or increase in height that involve a matter of significant public interest, as determined by the Director. The Zoning Modification process takes approximately 70 days and requires one (1) community meeting and one (1) public hearing by the City Council.

Transportation and Infrastructure Enhancements

In 1985, the Atlanta Regional Commission issued a traffic study based on the current zoning requirements at the site. At that time, estimates called for 13,000 trips per 24 hour period with zoning for one ten (10) story high rise building, two 14 story high rise buildings and one 20 story high rise building. Early estimates on capital costs to improve the City's infrastructure to accommodate this increase in traffic is \$8 – 9 million to enhance Peachtree Dunwoody from Spalding Drive to Abernathy Road. The City's Public Works Department is working to finalize more accurate estimates which will be provided at the Council meeting on January 18, 2011.

RESOLUTION NO. 2011-

**STATE OF GEORGIA
COUNTY FULTON**

**A RESOLUTION IN SUPPORT OF SUBMISSION OF A PROPOSAL BY THE CITY OF
SANDY SPRINGS, GEORGIA IN RESPONSE TO THE GWINNETT TECHNICAL
COLLEGE SOLICITATION BY THE TECHNICAL COLLEGE SYSTEM OF
GEORGIA**

WHEREAS, the City of Sandy Springs, Georgia (the “City”) enthusiastically supports the location of a technical college within the City; and

WHEREAS, the City has identified a potential location for a proposed technical college adjacent to the North Springs MARTA Station in the City; and

WHEREAS, MARTA has demonstrated a willingness to work with the City and the Technical College System of Georgia to structure a mutually beneficial arrangement regarding the location which would include a long term ground lease and other potential benefits; and

WHEREAS, if chosen as the location for the technical college, the City would commit to financial support for the endeavor in the amount of Two Million Five Hundred Thousand and 00/100 Dollars (\$2,500,000.00) over a three year period after commencement of the construction of the college; and

WHEREAS, if chosen as the location for the technical college, the City would commit to assisting the Technical College System of Georgia in raising financial support from the local business community in the amount of Two Million Five Hundred Thousand and 00/100 Dollars (\$2,500,000.00); and

WHEREAS, the City desires for staff to prepare a City proposal in response to the Gwinnett Technical College solicitation by the Technical College System of Georgia; and

WHEREAS, to insure community support and the maximum effectiveness of the community partnership with the technical college, in addition to the above, the City desires its proposal to include provisions which will:

- a. Provide a method for the City and business community to have input into the curriculum and educational offerings of the campus; and
- b. Have the name of the campus be mutually agreed upon between the City and the Technical College System of Georgia; and
- c. Require the improvements on the campus to meet the development and design standards of the City.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Sandy Springs, Georgia while in regular session on January 18, 2011 at 6:00 p.m. as follows:

Staff shall prepare a response to the Gwinnett Technical College Solicitation by the Technical College System of Georgia in conformity with the terms set forth herein.

APPROVED AND ADOPTED this 18th day of January, 2011.

Approved: January 18, 2011

Eva Galambos, Mayor

Attest:

Michael Casey, City Clerk
(Seal)