THE UNIFIED GOVERNMENT OF ATHENS-CLARKE COUNTY
COMMISSION AGENDA ITEM

SUBJECT: Arena District Steering Committee Recommendation to Authorize Sale of Kelley Diversified (395 Willow Street) Property

DATE: July 29, 2026

EXECUTIVE SUMMARY: The Arena District Development Steering Committee recommends the Mayor and Commission authorize staff to develop an Intergovernmental Agreement between the Unified Government of Athens-Clarke County and the Classic Center Authority related to authorizing the sale of the Kelley Diversified Property, located at 395 Willow Street.

BUDGET INFORMATION:

REVENUE: N/A
EXPENSES: N/A
OTHER:

FUNDING SOURCE: N/A

COMMISSION ACTION REQUESTED ON: September 1, 2026

PURPOSE:
To request the Mayor and Commission authorize staff to develop an Intergovernmental Agreement between the Unified Government of Athens-Clarke County and the Classic Center Authority related to authorizing the sale of the Kelley Diversified Parcel, located at 395 Willow Street.

HISTORY:

1. In November 1970, the Mayor and Council of the City of Athens approved the Public Works Department offering for bid and supervising the construction of an 80-foot by 140-foot structure on the site now known as 395 Willow Street. The specifications for the building were to be provided by Kelley Workshop, Inc. The cost of the facility and land was not to exceed $100,000, and was funded under the Athens Model Cities Program.

2. On June 5, 2007, at their regular meeting, the Mayor & Commission (M&C) declared the Kelley Diversified property at 395 Willow Street as surplus after no viable governmental uses for the property had been identified, and authorized staff to begin the process to dispose of the property.

3. On April 1, 2008, after all of the bids received for the Kelley Diversified property at 395 Willow Street were significantly lower than the appraised value of the property, the M&C voted to retain ownership of the property and to solicit for new bids at a future date.

4. On August 6, 2019, the M&C approved the SPLOST 2020 Program Referendum, which included the Classic Center Arena (Project 03) as a component with a budgeted amount of $34,000,000, and with the remaining needed project funds coming from Revenue Bonds backed by Athens-Clarke County Unified Government (ACCGov) and the revenue from future development of ACCGov property adjacent to the Classic Center.

5. On November 5, 2019, Athens-Clarke County voters approved the SPLOST 2020 Program Referendum which included the Classic Center Arena (Project 03). The Referendum also included the approval of the issuance of general obligation debt to help fund the Classic Center Arena (Project 03) and to facilitate the construction of the Project within the first few years of the SPLOST 2020 Program.

6. On February 19, 2020, ACCGov and the Classic Center Authority (CCA) entered into an Intergovernmental Contract, as subsequently amended by an Intergovernmental Contract dated August 3, 2021, (collectively the "2020 Agreement") with one of the primary purposes of the 2020 Agreement being to transfer properties owned by the ACCGov to the CCA to allow for the development of said properties to generate additional revenue to support the repayment of the Arena Bonds.

7. To provide additional funds for the cost of acquiring, constructing, installing and equipping the Classic Center Arena Project, the CCA has issued, with the approval of ACCGov, the following revenue bonds ("Arena Bonds"):

   a. Issued on November 2, 2021: Series 2021, in the aggregate principal amount of $48,880,000

   b. Issued on August 23, 2022L Series 2022, in the aggregate principal amount of $37,500,000

   c. Issued on September 28, 2023: Series 2023A, in the aggregate principal amount of $15,305,000 and Series 2023B in the aggregate principal amount of $12,780,000

8. On February 14, 2023, ACCGov and the CCA entered into an Intergovernmental Contract, as subsequently amended by an Intergovernmental Contract dated September 6, 2023, (collectively the "2023 Agreement"), with one of the primary purposes of 2023 Agreement being to transfer properties owned by ACCGov to the CCA, including the 2.83 acre Kelley Diversified property located at 395 Willow Street, to allow for the development of said properties to generate additional revenue to support the repayment of the Arena Bonds. As reflected in the SPLOST Project Statement, and as specifically noted in the 2020 Agreement and the 2023 Agreement, the parking deck structure and the development of properties near the Classic Center Arena for the purpose of generating additional revenue to support the Classic Center Arena Project have been part of the Project since the original submission of

the Arena Project Program Plans by the CCA, and have been discussed in multiple M&C work sessions. A Commission Defined Option to approve this agreement included a requirement to establish the Classic Center Arena Bond Oversight Committee, which was tasked with monitoring the redevelopment progress to ensure the repayment of the project bonds.

9. On July 17, 2023, The Classic Center shared an update with the M&C during a work session, notifying ACCGov that the CCA was out of contract with the master developer for the Arena District, and proposing a third round of Arena bonds to fund the completion of the Arena project.

10. On March 13, 2025, recognizing the need to provide adequate parking facilities in downtown Athens and to provide for the development of properties located near the Classic Center Arena to create additional revenue to support the repayment of the Arena Bonds, ACCGov, the CCA, and the Athens Downtown Development Authority (ADDA) entered into an Intergovernmental Agreement (IGA) for the purpose of establishing the Arena District Partnership for the purpose of governing all private sector commercial development activities involving the Arena District, (including, but not limited to, apartments, condominiums, hotels, restaurants, and retail), and the parking needs for the Classic Center periphery (the "2025 Agreement").

11. On June 17, 2025, an RFQ was issued for the Arena District Development Facilitator. The RFQ closed on July 21, 2025, and 13 submittals were received. Arena District Steering Committee members individually evaluated and scored each submittal based on understanding of the project, technical approach, team qualifications, project management, and relevant experience.

12. On August 20, 2025, the Arena District Steering Committee met to discuss the submittals and scoring, and agreed to narrow the list to four firms to be invited for oral presentations and interviews. The four firms selected were Accenture Infrastructure and Capital Projects (Accenture), Brailsford & Dunlavey, CBRE, and Seven Oaks.

13. On October 15 and October 16, 2025, the Committee viewed presentations, interviewed the four firms, and agreed that each member would submit their individual scores for each firm. Committee member scores were tallied, and Accenture received the highest score.

14. On April 7, 2026, the Mayor & Commission authorized a professional services agreement with Accenture to serve as Arena District Development Facilitator, and to authorize the execution of the Intergovernmental Agreement between the Unified Government of Athens-Clarke County and the Classic Center Authority related to approving the selection of Accenture to serve as the Arena District Development Facilitator.

15. On May 29, 2026 during the Arena District Development Committee meeting, Accenture shared due diligence updates and their recommendation, based upon their analysis, stakeholder engagement, legal consultation, and financial review to date, that the Arena

District Steering Committee formally transmit to the M&C a recommendation to authorize the sale of the Kelley Diversified property at 395 Willow Street. Accenture justified the recommendation supported by the parcel's physical and programmatic disconnection from the Arena District nucleus, the confirmed legal authority to sell, and the potential to address an anticipated near-term fiscal trough related to repayment of the Arena Bonds. The Committee asked Accenture to document their recommendation in writing (**Attachment #1**), and voted unanimously to recommend authorization to proceed with the sale to the M&C for their consideration.

FACTS & ISSUES:

1. The Kelley Diversified Property at 395 Willow Street covers approximately 2.83 acres of hillside terrain, rising 30 feet from Willow Street to the plateau on which a building and parking area exists. The lot then rises another 20+ feet from this plateau. Utility lines run along the eastern property boundary and a stream runs along the western boundary of the property. This stream drains toward the Greenway, which is directly across Willow Street, and ultimately to the North Oconee River. Many of these site characteristics limit the ability to maximize the redevelopment potential of the property unless the buyer can remediate them and/or work with neighboring property owners.

2. The building located at 395 Willow Street is a 14,580 gross square foot pre-engineered metal building. It is divided into approximately 3,100 square feet of office space with the remainder as open warehouse space. The structure has a loading dock, two large roll-up doors, and four pedestrian entrances. There are approximately 22 parking spaces at the front of the building. The structure is in poor condition and likely to not be reused once sold.

3. To support the inclusion of the Classic Center Arena Project (Project #03) by the Mayor and Commission as part of the SPLOST 2020 Program, the CCA completed the development of Program Plans to generally describe the project scope and to estimate construction and other project costs. The Program plans were the basis for the below Initial SPLOST Project Statement:

   Project # 03, Classic Center Arena, will provide funding for the design and construction of a new public assembly facility/arena space and related areas to accommodate a permanent seating capacity of approximately 5,500. Depending upon costs and funding availability, the expansion may include, but not be limited to, amenities such as an arena with the necessary industry standard service needs including, but not limited to, utility connections, rigging structure, sound/lighting systems, an ice floor, retractable seating for an expanded floor, acoustical treatments, individual suites, premium seating locations, catering facilities, locker rooms, necessary FF&E equipment, security equipment, child care, and office space sufficient to support such an expansion. The project is further anticipated to foster and support related economic development near The Classic Center Arena that may include, but not be limited to, a hotel, a senior living residential development, associated parking development, and other associated support areas to adequately support the functions of The Classic Center facility. Depending upon costs and funding availability, the project may further serve as a mechanism to facilitate enhanced employee and/or community well-being initiatives. Examples of employee and community well-being initiatives could be elder care, child care, and other similar activities.

Additionally, to the extent allowed by law, funds may be used as matching funds for leveraging grant opportunities.

2. The Map of the Arena District (**Attachment #2**) delineates the properties associated with the Classic Center Campus and the District Development Sites for the purposes of the agreement. The Arena District shall consist of the Classic Center Campus are highlighted in orange, and the District Development Sites are highlighted in blue. The Kelley Diversified property at 395 Willow Street is included in the Arena District map.

3. The Arena District is located in the Redevelopment Area for the East Downtown Redevelopment Plan. The Redevelopment Area is co-terminous with Tax Allocation District (TAD) #4 - East Downtown TAD. The East Downtown Redevelopment Plan provides as follows:

    Section VII: Provides that improvements to the Classic Center Arena Project that were approved as part of the Unified Government's SPLOST 2020 Program should be given primary status related to the commitment of TAD funds from the East Downtown TAD.

    Section VII: Notes that the Classic Center Arena Project "is further anticipated to foster and support related economic development near The Classic Center Arena that may include, but not be limited to, a hotel, a senior living residential development, associated parking development, and other associated support areas to adequately support the functions of The Classic Center Facility."

    Section XIV: Authorizes the Mayor and Commission of the Unified Government in its capacity as the Redevelopment Agency to enter into contractual relationships for professional services such as design, feasibility, project management, legal, engineering, and other services, stating as follows: "To manage the redevelopment process, the Redevelopment Agency will seek contractual arrangements with qualified vendors to provide the professional and other services required in qualifying and issuing the tax allocation bonds or other forms of financing, as well as for services including design, feasibility, project management, legal, engineering, and other services, required for implementation of the proposed Redevelopment Plan."

4. The 2025 IGA established the Arena District Partnership between ACCGov, the CCA, and the ADDA for the development of the Arena District Development Sites to create additional revenue to support the repayment of the Arena Bonds, and to support the need to provide adequate parking facilities. The purpose of the Arena District Partnership is to govern all private sector commercial development activities involving the Arena District, including, but not limited to, apartments, condominiums, hotels, restaurants, and retail, as well as the parking needs for the Classic Center periphery. Any public improvements to the Classic Center Campus that do not involve private sector commercial development activities will continue to be governed by the process established in the 2020 Lease Agreement, as amended, and not subject to review by the Arena District Steering Committee.

5. To facilitate the duties and roles of each member of the Arena District Partnership, the Arena District Steering Committee was established. The Mayor of the Unified Government serves as Chair and a voting member, and appoints the other members of the Committee, which consists of two Commissioners, two CCA Board Members, and two ADDA Board members.

Members appointed to the Steering Committee serve for a term of two years from the date of their appointment for as long as they remain in office.

6. Per the 2025 Agreement, the Arena District Steering Committee is charged with replacing and assuming the duties and responsibilities of the Classic Center Arena Bond Oversight Committee as established in the CDO-amended Section 3A. of the 2023 Agreement. The Committee is charged with informing ACCGov and the CCA concerning the expenditure of bond proceeds for the Classic Center Arena project, reviewing and reporting on the expenditure of the Development Net Revenues for repayment of the Bonds, and the Economic Well-Being Initiative (EWBI), to provide a $15.85/hour wage for CCA employees. The Committee is also responsible for reviewing expenditure reports to verify that proceeds of the Bonds and Development Net Revenues are being expended for authorized purposes.

7. The Classic Center Authority's total expenses, including Arena bond principal and interest repayments, currently exceed their annual revenue. The Classic Center Authority estimates that the arena debt service will encounter an approximately $1.4M per year deficit after accounting for associated operational revenues. In FY27, this deficit is projected to be fully covered by the bond payment and reserve funds. In FY28, the bond payment and reserve funds will be exhausted, resulting a projected net deficit of $665,000. In FY28 and beyond, the $665,000 to $1.4M projected annual deficits must be addressed via Arena District revenues, other non-Arena revenues generated by the Classic Center, and/or other currently unidentified funding sources.

8. To facilitate the work of the Arena District Partnership, the 2025 Agreement outlines roles of the Unified Government, the CCA, the ADDA, and the Arena District Development Facilitator. Subsection E. of Section 5. of the 2025 Agreement provides the following duties and responsibilities for the Arena District Development Facilitator:

    1. Provide experienced and expert advice related to commercial real estate development services including strategic planning, land planning and financial feasibility analysis, development scenarios, financing strategies and modeling, RFP development and procurement of design professionals and private development partner(s), project management, and cost management;
    2. Provide experienced and expert advice related to infrastructure related to Arena District development;
    3. Identify optimal parking facilities, and private development that will fulfill Unified Government, CCA, and ADDA needs in the Arena District;
    4. Solicit design professionals to create the Arena District Master Plan, utilizing needs expressed by the Unified Government, CCA, and ADDA on properties under ownership or lease.
    5. In conjunction with private development partner(s), present the Arena District Master Plan to the District Steering Committee for recommendation to Mayor and Commission.

    6. Recommend a strategy to develop the Arena District in a phased approach.
    7. Recommend project management approach for all identified projects that emerge from the Arena District Master Plan.
    8. Recommend a third-party financial advisory for projects that emerge from the Arena District Master Plan.

16. Recommend a marketing strategy for the identified projects in the Arena District Master Plan. Acting as Arena District Development Facilitator, to date Accenture has coordinated with the Arena District Steering Committee, performed due diligence and data gathering, engaged stakeholders, as they have begun the preliminary stages of developing a district framework and parcel strategy, conducting concept planning /market feasibility and financial strategy. Accenture has documented their recommendation to the Arena District Steering Committee regarding authorization to proceed with sale of the Kelley Diversified Property (**Attachment #1**). As their work continues over the next several months, they will also develop and present an Arena District Development & Financial Planning Roadmap master plan to the Steering Committee, for recommendation to the Mayor & Commission.

17. If this action is approved by the M&C, the Manager's Office and Attorney's Office will draft an IGA between the CCA and ACCGov defining the terms of the sale. In concept, the recommendation is for CCA to facilitate a competitive sale of the property and remit the net proceeds back to ACCGov to be held in an ACCGov-controlled debt service fund. These funds will then remain available to address near term arena debt funding gaps while the remaining Arena District developments are activated to generate reoccurring revenue. This IGA will return to the M&C for approval before the sale is authorized.

OPTIONS:

1. Mayor and Commission authorize staff to develop an Intergovernmental Agreement between the Unified Government of Athens-Clarke County and the Classic Center Authority Related to authorization of the sale of the Kelley Diversified Parcel, located at 395 Willow Street.

2. Mayor and Commission do not authorize staff to develop an Intergovernmental Agreement.

3. Mayor and Commission Defined Option.

PREPARED BY: Ilka McConnell, Interim Assistant Manager

August 12, 2026

Date

Ilka McConnell, Interim
Assistant Manager

ADMINISTRATIVE RECOMMENDATION: Option # 1

August 12, 2026

Bob Cowell, Manager — Date

ATTACHMENTS:

Attachment #1 - Letter of Recommendation

Attachment #2 - Arena District Map Showing Kelley Diversified (395 Willow Street) Property

MEMORANDUM

TO: Arena District Steering Committee
FROM: Accenture Infrastructure & Capital Projects
DATE: June 3, 2026 (revised on July 7, 2026)

RE: Recommendation for Authorization to Proceed with Sale of the Kelley Diversified Parcel

I. Purpose

Accenture Infrastructure & Capital Projects (Accenture I&CP), serving as Development Facilitator and Program Integrator for the Arena District Partnership, hereby submits this formal recommendation to the Arena District Steering Committee in support of authorizing the sale of the Kelley Diversified Parcel. This memorandum captures the key findings and rationale developed through our stakeholder engagement process and preliminary master planning work, as discussed at the Steering Committee meeting on record, and is intended to support the Committee's recommendation to the full Athens-Clarke County Commission.

II. Parcel Background

The Kelley Diversified Parcel is approximately 3.05 acres (approximately 2.83 acres per the 2023 Intergovernmental Agreement), a publicly owned site within the Arena District boundary. It is held under the Classic Center Authority for Clarke County and is currently identified in the Arena District's Exhibit A parcel inventory as a residential development site with an approximate capacity of 566 beds.

The parcel is situated between privately held properties along Willow Street and presents a distinct set of topographic, access, and programmatic characteristics that distinguish it from the core Arena District development sites.

III. Basis for Recommendation

The following justifications were developed through our Arena District Development and Financial Planning Road Map, Gensler design review, legal consultation with the Classic Center Authority's attorney Thomas Hollingsworth, and financial analysis with Classic Center staff. They are grounded in the discussions and determinations reached at the Arena District Steering Committee meeting.

A. The Parcel Is Non-Cohesive with the Arena District Nucleus

Following an intensive review of the Arena District's land use framework, indications are suggesting the Kelley Diversified Parcel does not integrate cohesively with the primary development nucleus of the Arena District. Its physical situation between two privately held parcels, its topographic characteristics, and its spatial separation from the core Classic Center campus place it outside the natural boundaries of the district's highest-value mixed-use programming. The Steering Committee confirmed this assessment during the course of discussion, noting that the parcel's disconnected position makes it a natural candidate for disposition rather than retention and direct development.

B. Legal Authority to Sell Has Been Confirmed

Accenture I&CP met with Thomas Hollingsworth, attorney to the Classic Center Authority, to review the legal parameters governing potential disposition of the Kelley Diversified Parcel. Counsel confirmed that a sale of the property is permissible under the Authority's structure, subject to approval by the Mayor and the Athens-Clarke County Commission. The parcel's status under the Classic Center Authority may also implicate distinct procedural parameters compared to standard surplus property proceedings. We recommend that the Committee initiate the appropriate surplus declaration and Commission approval process at the earliest practicable opportunity.

C. Authorization Does Not Obligate Sale but Preserves the Option

The Steering Committee was clear that recommending the Mayor and Commission authorize the sale process does not commit the Authority to completing a transaction. If the market does not produce an acceptable offer, or if circumstances change, the Classic Center Authority retains full discretion to retain ownership. Accenture I&CP supports this framing and underscores that the value of the parcel can only be reliably established through a market process.

D. Financial Modeling for Sale Proceeds

Accenture I&CP met with ACC Finance Director David Boyd to confirm that revenue can be used to assist in the existing bond indebtedness, and that the financial modeling of sale proceeds is properly reconciled with the Classic Center's pro forma and bond repayment projections.

IV. Recommended Next Steps

- Steering Committee formally transmits this recommendation to the Mayor and Athens-Clarke County Commission to authorize initiation of a sale process for the Kelley Diversified Parcel.

- Classic Center Authority's Property Committee reviews and confirms surplus eligibility and applicable procedural requirements given the parcel's title structure.

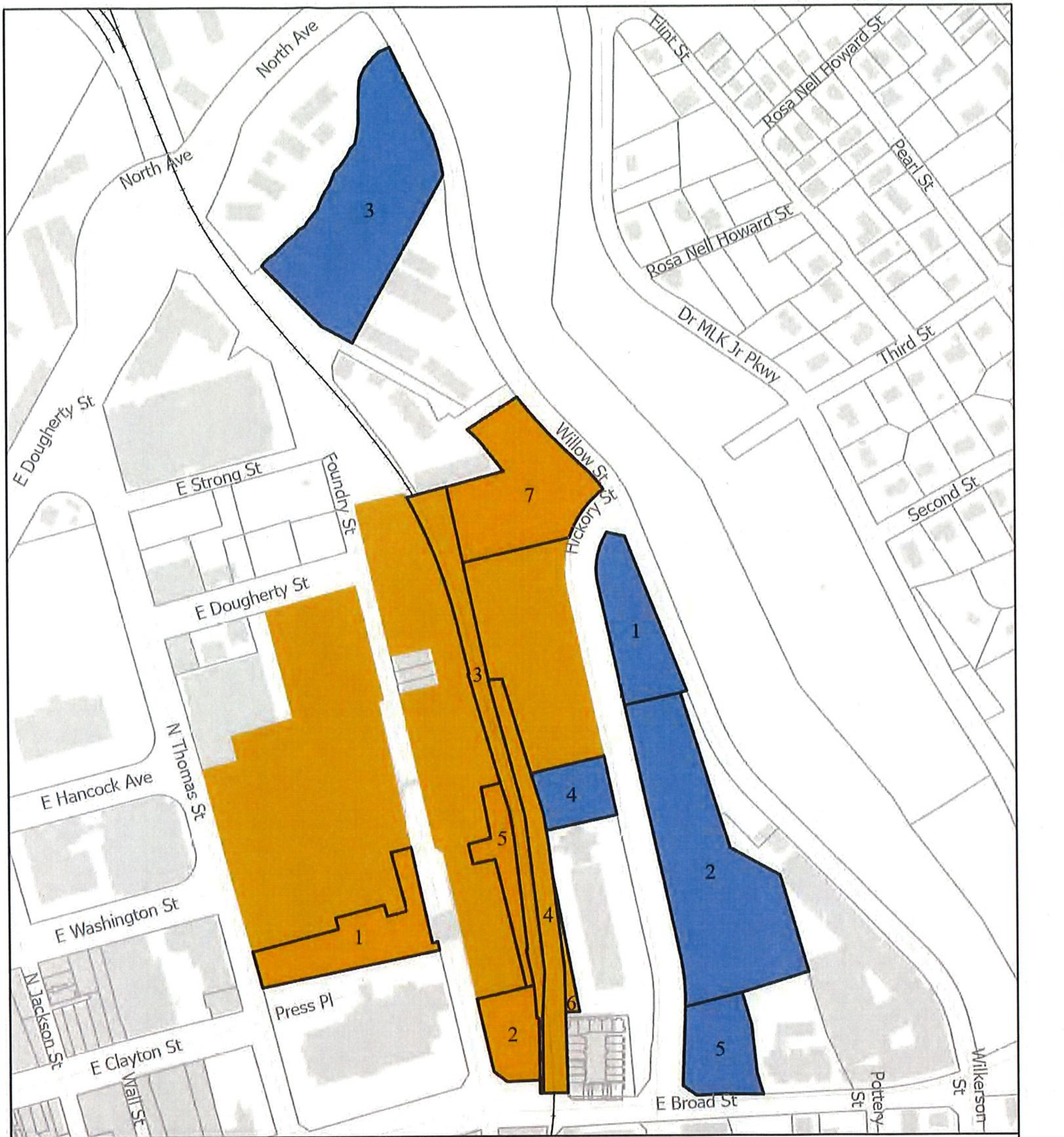
V. Conclusion

Based on our analysis, stakeholder engagement, legal consultation, and financial review to date, Accenture Infrastructure and Capital Projects recommends that the Arena District Steering Committee formally transmit to the Mayor and Athens-Clarke County Commission a recommendation to authorize the sale of the Kelley Diversified Parcel. The parcel's physical and programmatic disconnection from the Arena District nucleus, the confirmed legal authority to sell, and the potential to address an anticipated near-term fiscal trough all support our justification for this recommendation.

We remain available to answer questions, provide additional analysis, or present this recommendation directly to the Commission as the Steering Committee determines is appropriate.

Respectfully submitted,
Accenture Infrastructure and Capital Projects, LLC
Arena District Development Facilitator — Athens, Georgia
Andraya Lombardi, SVP | Trey Weatherly, Senior Director

Attachment #2



DEVELOPMENT SITES

1 - Hickory Willow Street Site
2 - Hickory Street Parking Deck Site
3 - Kelley Diversified Site
4 - Air Rights Site for Entertainment District
5 - Hickory/East Broad Street Site

ARENA DISTRICT

CLASSIC CENTER CAMPUS

1 - Auto Bridge Site
2 - Classic Center Parking Deck Site
3 - Railroad Easement Site
4 - Old Hickory Street Site
5 - 0.501 Acre Sliver
6 - 0.136 Acre Sliver
7 - Arena Loading Dock Site