

Case Study: Redevelopment of Fire Station 15 in Midtown Atlanta

By Ben McAdams and Bryan Fike



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ABOUT THE AUTHORS



Ben McAdams is a national expert in public asset strategy and municipal innovation. As the leader of the Putting Assets to Work (PAW) initiative, Ben supports cities in identifying opportunities to repurpose underutilized public land and structure innovative tools for housing and community development.

His work contributed in a small way to efforts like Atlanta's formation of the Urban Development Corporation (AUDC), development of catalytic housing funds, and asset-backed redevelopment strategies. A former mayor and U.S. Congressman, Ben brings practical experience and a collaborative, behind-the-scenes approach to helping cities translate ambitious goals into implementable solutions.



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Previously, he worked in public administration, supporting a range of federal workforce and safety net programs at the U.S. Department of Labor. He also served as a Peace Corps Volunteer in Namibia, where he trained and advised youth entrepreneurs, supported a government-funded microcredit program, and implemented school-based programming in entrepreneurship and financial literacy. Bryan earned an MBA from the Yale School of Management and a BA in economics from Wittenberg University.

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NOWAK METRO FINANCE LAB AT DREXEL UNIVERSITY

The Nowak Metro Finance Lab was founded in 2018 to help cities identify and implement innovative strategies to leverage public assets and fund public infrastructure for public benefit, with a focus on supporting inclusive and equitable growth. The Lab honors the legacy of Jeremy Nowak, the widely respected urban thought leader and practitioner.

PUTTING ASSETS TO WORK

Putting Assets to Work (PAW) is a national incubator that helps state and local governments transform underutilized public properties into assets that generate long-term public value. Through data-driven analysis, innovative financial approaches and project structuring, PAW supports efforts to advance housing, infrastructure, revenue, and other community priorities.

Cover Photo: View of the Atlanta skyline from Lake Clara Meer in Piedmont Park
Photo Credit: Terry Granger

EXECUTIVE SUMMARY

The redevelopment of Fire Station 15 in Midtown Atlanta illustrates how cities can better utilize their existing public assets to deliver urgent community benefits. Under the leadership of Mayor Andre Dickens, and through the newly created Atlanta Urban Development Corporation (AUDC), the City of Atlanta has advanced an innovative model that leverages public land, flexible procurement, and a full financial toolkit to drive mixed-income development without relying on traditional federal housing subsidies.

Located in Atlanta's high-demand Midtown neighborhood, Fire Station 15 occupies a 0.785-acre parcel valued at \$14.4 million. The redevelopment plan retains or enhances existing fire service operations onsite while constructing a new high-density, mixed-income residential tower above the station. AUDC has structured the project through a public-private joint venture model, ensuring public control and long-term affordability while attracting private-sector expertise and investment.

Key to the project's success is AUDC's outcomes-oriented approach: rather than issuing a prescriptive RFP, AUDC selected a developer partner through a flexible RFQ process focused on qualifications, alignment, and capacity. AUDC's commitment to addressing zoning, entitlements, and financing challenges alongside the selected partner reduces risk, lowers costs, and maximizes public benefit. The project anticipates delivering at least 100 affordable housing units, with 20% of units affordable to households earning 50% AMI or below and 10% affordable to households earning 80% AMI or below, while capping all units below 140% AMI.

The Fire Station 15 redevelopment offers a replicable model for cities nationwide. Four key lessons emerge from Atlanta's approach:

- **Evaluate Public Assets for Highest and Best Use:** Public land, buildings, and rights-of-way can unlock major community benefits if redeveloped strategically.
- **Procure for Outcomes, Not Process:** Flexible procurement processes attract better partners and encourage innovation.
- **Align Incentives Early:** Structuring ownership and financing roles thoughtfully ensures public and private interests stay aligned throughout development.
- **Bring the Right Tools to Bear:** Leveraging public land, tax policy, municipal financing, and other tools creatively can bridge affordability gaps that conventional approaches cannot.

By combining better stewardship of public assets with innovative partnerships and financing, Atlanta is setting a new standard for equitable urban redevelopment.

INTRODUCTION

Facing significant affordability and supply constraints, the City of Atlanta committed to building or preserving 20,000 units of affordable housing by 2030. To realize this goal, the City, in partnership with the Housing Authority of the City of Atlanta (Atlanta Housing), created the Atlanta Urban Development Corporation (AUDC) in 2023. AUDC is charged with "turning public land assets into attractive, amenity-rich, mixed-income housing developments." AUDC leverages a unique suite of financial tools and an innovative procurement process to achieve its goal. Significantly, AUDC's tools offer a local alternative to supply-constrained federal housing subsidies like the Low Income Housing Tax Credit (LIHTC). These efforts are also supported by a \$300 million public/philanthropic housing impact fund, providing the capital needed to complement public land contributions and drive large-scale affordable housing production across the city. For more information about these initiatives, see the separate case studies on the formation of AUDC and the \$300 million fund.

Through its participation in the Putting Assets to Work program, Atlanta and the Mayor's Affordable Housing Strike Force developed a comprehensive map of public assets in 2023, identifying 40 public land projects ripe for redevelopment. The redevelopment of Fire Station 15 in Midtown emerged as an early priority to demonstrate the potential of AUDC's model.

This case study highlights how AUDC is redeveloping Fire Station 15 to provide high-density mixed-income housing while maintaining operational capacity for the Atlanta Fire and Rescue Department.

NEIGHBORHOOD, PROPERTY, AND PROJECT

Located in the heart of Midtown, one of Atlanta's most dynamic and rapidly growing neighborhoods, Fire Station 15 presents an ideal opportunity to demonstrate how strategic redevelopment of public assets can address urgent housing needs. The property sits amid luxury residential towers, major employers, and public transit access points, making it a prime location for new affordable and mixed-income housing. Given its location, zoning, and underutilized footprint, Fire Station 15 offered a unique chance to pair critical city services with high-density residential development, showcasing how civic infrastructure and housing goals can be achieved together.

Fire Station 15 emerged as an early priority for the newly created AUDC in 2023. As reported by *The Guardian*, early in Mayor Dickens' term, Josh Humphries, senior advisor for housing, called the chief of Fire Station 15 in Midtown. The fire chief wanted a renovation for his station, and the mayor wanted affordable housing. The site, although less than an acre in size, was valued at nearly \$15 million due to its prime location. Humphries recalled, "I called the fire chief and was like, 'I think there's a way we could get you a brand new fire station, as long as you're willing to put 30 stories of new neighbors above you.' He's like, 'as long as I get a new fire station, I don't care what you put above me.'"¹

In addition to the operational and economic benefits of redeveloping Fire Station 15, it also carried significant symbolic value. By choosing a highly visible and easily recognizable public land asset like a fire station for its first redevelopment project, AUDC and its partners helped to spark ideas for what could be possible with the city's full public asset base.

Project Overview

- Property: Atlanta Fire Rescue Department (AFRD) Station 15
- Location: 170 10th St NE, Atlanta, GA 30309
- Constructed: 1986
- Lot size: 0.785 acres (approx. 34,200 s.f.)
- Current Use: Two-story, two-bay fire station serving Midtown Atlanta
- Project objective: Redevelop property for mixed use, maintaining or improving AFRD service levels while increasing the supply of mixed-income housing on site

Neighborhood Context

Midtown's 92.6% multifamily occupancy rate as of Q4 2023 exceeded the citywide average. Average rents were \$2.27 per square foot, the highest of all Atlanta submarkets, and more than 5,200 units were delivered or under construction at the end of 2023² with an additional 3,155 units slated for delivery by Q1 2026.

Fire Station 15 is located in a high-income, high-rent area, with median household incomes and rents exceeding citywide amounts by approximately 70% and 33%, respectively. High incomes and rents, along with proximity to jobs, make it ripe for increases in the affordable housing supply.

¹ Romeo, Nick. "Affordable housing is in short supply across the US. Atlanta may have found a way forward". *The Guardian*. 9 Feb. 2025

² CBRE Atlanta Multifamily Market Report. Q4 2023. <https://mktgdocs.cbre.com/2299/d57f1112-3b0c-41c3-80f9-4fdce7b7a500-1207494548.pdf>

	Block Group 131210011021	City of Atlanta
Median Household Income	\$138,758	\$81,938
All Units (median)	\$2,149	\$1,617
All Units (lower quartile)	\$1,770	\$1,107
All Units (upper quartile)	\$2,440	\$2,096
Studio	\$2,199	\$1,669
1 BR	\$2,231	\$1,576
2 BR	\$3,355	\$1,701
Cost Burdened Renters	39.78%	48.94%
Severely Cost Burdened Renters	22.9%	26.24%

Rental housing costs, income, and cost burdens from American Community Survey 2019-23; accessed via PolicyMap

While high rents and land costs would traditionally inhibit affordable housing production, AUDC's model helped to turn these factors into valuable project benefits; market-rate rents help to subsidize affordable units, while the high value of public land increases the city's contribution to and ownership of the project.

Midtown is also rich with economic opportunity. More than 6,300 workers were employed within a quarter mile of the site as of 2022.³ Major employers in the Midtown area include Google, NRC, Microsoft, AT&T, and Honeywell. The site is a half mile from Interstate 85 and is also highly transit-accessible, located less than a 10-minute walk (0.3 miles) from MARTA's Midtown station with service on the Gold and Red lines.

Property details

Originally constructed in 1986, Fire Station 15 occupies a valuable site neighboring luxury high-rises and is ideally positioned for dense residential development. The current structure, a two-story fire station, is home to a 10-12 member crew and occupies approximately 6,400 square feet of ground area.⁴ Surface parking lots and front and rear access drives occupy the remainder of the parcel. Neighboring properties include Tenth & Juniper, a 13-story, 149-unit senior housing property to the west; Modera Parkside, a recently constructed 32-story, 361-unit luxury apartment to the east; and Azure on the Park, a 329-unit luxury high-rise to the north.

The property was appraised at \$14.4 million in 2022.⁵ Existing zoning allows for a floor area ratio (FAR) of 6.4, permitting up to 218,845 square feet of square footage on the property's 0.785 acres. The parcel's zoning also allows for a maximum height of 400 feet, sufficient for 30 to 40 stories, and has no parking minimum.

Project vision

The Fire Station 15 project involves two core elements:

1. Retain or increase existing fire department service capacity at the current site.
2. Add high-density, mixed-income, mixed-use development above the fire station through an innovative vertical mixed-use design.

AUDC is using a condominium structure to separate ownership. The City of Atlanta will own the ground-floor fire station. For the remainder of the development, AUDC would retain majority ownership of at least 51% while entering into a joint venture (JV) arrangement with its selected developer partner. Under this structure, project cash flows go to the project entity (i.e., JV) and are split between AUDC and the developer partner. The JV arrangement allows the developer to enjoy some upside from project cash flows with relatively low downside risk while ensuring long-term affordability, thanks to AUDC's majority ownership.

³ U.S. Census Bureau, Longitudinal Employer-Household Dynamics

⁴ *The Guardian*. 5 Feb. 2025

⁵ FAQs to RFQ

Affordability objectives

Like all AUDC projects, the Fire Station 15 redevelopment must conform to certain affordability requirements.

Affordability requirements mandate that:

- 20% of units be affordable to households earning 50% AMI or below.
- 10% of units be affordable to households earning 80% AMI or below.
- All units remain affordable below 140% AMI.

AUDC anticipates delivery of at least 100 new affordable units as part of the project.

AUDC Affordability Standards by Unit Type					
	Studio	1-Bed	2-Bed	3-Bed	4-Bed
50% AMI	\$893	\$957	\$1,148	\$1,327	\$1,481
80% AMI	\$1,430	\$1,532	\$1,838	\$2,124	\$2,370
140% AMI	\$2,501	\$2,681	\$3,215	\$3,717	\$4,146

FINANCIAL TOOLKIT

Delivering deep affordability without relying on traditional tools, such as LIHTC, requires innovative financing strategies. AUDC brings a robust four-part financial toolkit to the project that includes:

- **Public Land Contributions:** Fire Station 15's \$14.4M land value will be contributed at a negotiated discount.
- **Private Enterprise Agreements:** Allow property tax exemptions for projects meeting affordability requirements (up to 140% AMI).⁶
- **Housing Production Fund (HPF) Mezzanine Debt:** Provides low-cost, equity-like debt covering up to 20% of the project's capital stack for construction projects on public land. HPF loans have three- to five-year maturities at below-market rates. HPF is a \$38 million component of the City of Atlanta's \$100 million Housing Opportunity Bond issued in 2023.
- **Low-Cost Permanent Finance:** As a subsidiary of Atlanta Housing, AUDC has access to tax-exempt municipal bonds, offering long-term, affordable financing. As needed, AUDC committed to work with the selected developer to provide competitive, low-cost permanent finance with a 30 to 50-year amortization and a 1.2 debt service coverage ratio.

These tools enable AUDC and its partners to achieve affordability targets while ensuring the financial viability of the development.

⁶ RFQ p. 11; PEA authorized by Georgia State Code §8-3-8, §8-3-3 and §8-3-3.1

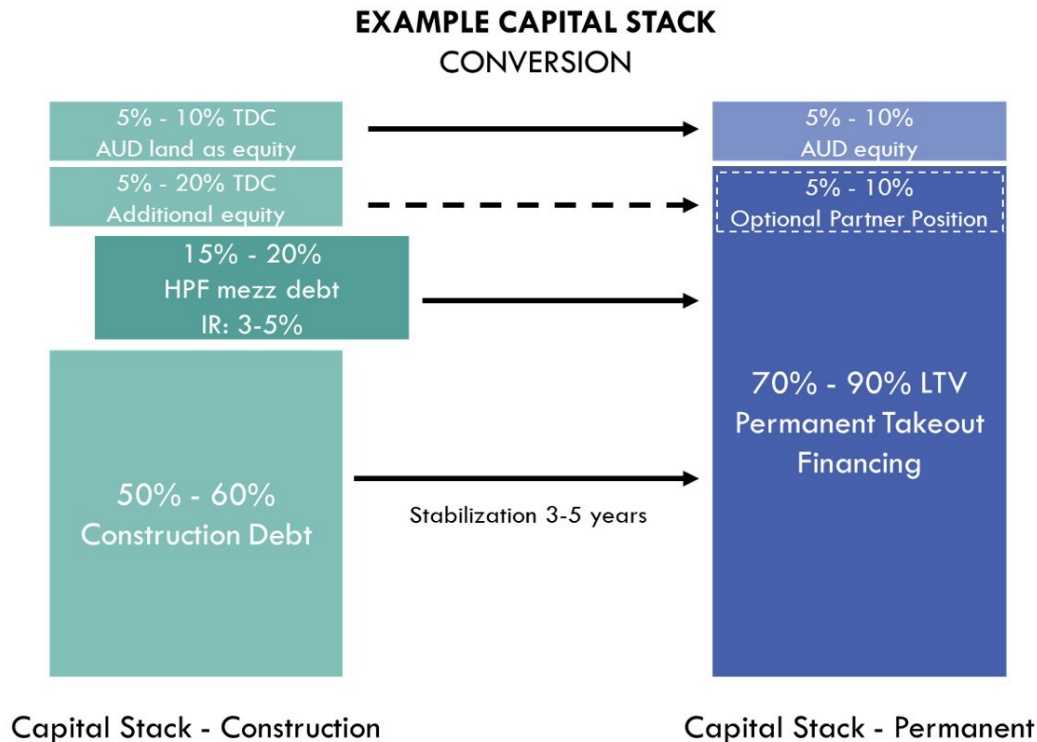


Figure 01. Capital Stack Conversion at Stabilization (source: AUDC)

PROCUREMENT INNOVATION

AUDC's flexible procurement process has also helped to attract developer partners and accelerate the pace of redevelopment. Three elements stand out:

- **Request for Qualifications (RFQ) Instead of RFP:** Rather than demand detailed designs and financing commitments up front (which discourages participation and increases costs), AUDC's RFQ process prioritized selecting a qualified developer partner based on past performance and alignment with project goals.
- **Capacity-Oriented Evaluation:** 85% of the RFQ's scoring rubric emphasized team organization, experience with similar projects, and financial capacity, focusing on the ability to deliver rather than prescriptive compliance.
- **Partnership Commitment:** AUDC committed to working side-by-side with the selected developer post-selection to navigate entitlement, zoning, and design issues, reducing risk and accelerating progress.

Flexible RFQ instead of RFP: AUDC issued an RFQ for the Fire Station 15 project in January 2024. Unlike a traditional RFP which might specify in minute detail the forms, functions, materials, and processes to which a developer must adhere, AUDC's RFQ specifies broad project parameters (i.e., mixed-income housing development, affordability constraints, and a preference for retaining AFRD functions on site) and asks respondents to demonstrate their experience with similar projects and how they would align with the project's broad objectives.

As stated in the RFQ: "AUDC is not anticipating asking qualified developers to respond to a Request for Proposal during the procurement process. Instead, the contemplated RFQ process will prioritize selecting the most qualified development partner able to demonstrate a like-minded understanding of the project's goals. Details related to the project will be developed after a development partner has been selected through this procurement process." Essentially, this process asks potential developer partners to describe their ability to successfully complete mixed-use high-rise projects in a dense, urban environment, while aligning with AUDC's broad affordability objectives.

Capacity-Oriented Evaluation: AUDC’s prioritization of developer capacity and experience over specific project proposals is demonstrated in its evaluation criteria. Unlike traditional RFP scoring rubric, which may expect respondents to arrange for fully developed renderings, materials and construction contractors, and make commitments related to project cost and financing assumptions with limited information, shifting expectations, the Fire Station 15 RFQ attributes 85 of 100 possible points to the developer’s capacity and background (i.e., team organization, key personnel experience, experience with similar projects, financial qualifications and capacity) in order to forge a partnership to tackle challenges and meet expectations together.

Scoring Element	Points Available
Team Organization	10 Points
Project Concept & Narrative	15 Points
Key Personnel Experience	20 Points
Experience with Similar Projects	30 Points
Financial Qualifications & Capacity	25 Points

AUDC Fire Station 15 RFQ Scoring Criteria

Commitment to ongoing partnership with selected developer: AUDC’s commitment to partner with a selected developer throughout the pre-construction, construction, and stabilization phases of the project also helped to remove barriers for potential respondents. Whereas in a traditional RFP arrangement the public authority purchases a service under specified requirements, the Fire Station 15 RFQ commits AUDC and the selected developer to navigate the project together.

In a traditional RFP arrangement, public authorities require prospective bidders to provide detailed plans and arrange financing without knowing whether they will be able to successfully navigate the entitlements process. This arrangement introduces significant up-front costs and unquantifiable back-end uncertainty. Under this context, many prospective bidders will pass on the opportunity to respond to an RFP or will pad the economics of their bid to buffer against these risks.

Understanding that navigating local entitlements (e.g., zoning, permitting, approvals, etc.) can greatly hinder project progress, AUDC commits to jointly addressing entitlement issues in close collaboration with its selected developer partners early in the project development process under the RFQ. By addressing zoning approvals and entitlements early in the process, AUDC reduces development risk, which in turn lowers project costs and ultimately translates into a stronger public benefit and better project outcomes.

For the Fire Station 15 project, AUDC committed to working with its partners in the City of Atlanta along with its selected developer partner to navigate entitlements once a broadly aligned agreement is in place. As a partner in the joint venture structure, AUDC and government partners have a significant financial stake in the project’s success, potentially motivating faster approvals and minimizing costly entitlement delays.

AUDC’s commitment to partnership is also reflected in project structure and financing arrangements. While AUDC offers several financial tools to its developer partner as described above, the details of each are open to negotiation to suit both AUDC and the developer partner. As described in the RFQ, profit sharing, ownership stakes, and the costs and terms of capital are all subject to negotiation.

Significantly, AUDC chose not to immediately announce the selected developer partner in the RFQ process. The quiet selection of a partner ensures that AUDC and its selected developer partner can negotiate in good faith to reach acceptable terms before project plans are publicly announced.

John Majors, CEO of AUDC, summed up this approach to procurement as allowing for “success stories of different avenues, not prescribing one rigid path.”

LESSONS LEARNED, APPLICABILITY ELSEWHERE

While the Fire Station 15 redevelopment project may be unique in many ways, several key themes are applicable to civic actors with similar aspirations.

Evaluate Public Assets for Highest and Best Use: Cities often sit on valuable, underutilized properties. Public buildings, land, and rights of way all have value, especially when these assets are located near other valuable public amenities such as mass transit, parks, and open spaces. A comprehensive inventory, spanning city departments and affiliated agencies, can uncover hidden opportunities for housing and mixed-use redevelopment, or other outcomes aligned with public priorities. Activating underutilized assets can accelerate community goals without requiring large new expenditures.

Procure for Outcomes, Not Process: Too often, traditional RFPs inhibit creativity and discourage innovative solutions. Public contracting is seen as highly risk-averse and even “backward,” limiting interest and participation among potential bidders. AUDC’s redevelopment of Fire Station 15 demonstrates how a flexible procurement strategy which prioritizes qualifications, partnership potential and outcomes over process yields better outcomes and fosters private sector collaboration. Cities should think strategically about how their procurement processes can serve as catalysts rather than obstacles.

Align Incentives Early: When public and private interests are aligned from the outset, projects are more likely to succeed. Where appropriate for the circumstances, using a more flexible RFQ approach and structuring ownership, financing, and decision-making roles carefully, such as through a joint venture, public partners can minimize unnecessary risk while maintaining influence over long-term outcomes. Early alignment ensures that both public and private stakeholders are equally motivated to meet timelines, solve challenges, and deliver lasting value.

Bring the Right Tools to Bear: AUDC’s model demonstrates the power of a full financial toolkit. By offering public land contributions, below-market mezzanine financing through the Housing Production Fund, low-cost permanent debt financing, and property tax abatements through Private Enterprise Agreements, AUDC can bridge affordability gaps that otherwise would be insurmountable. While not every city will have identical tools, most local governments control key levers — an abundance of underutilized public assets, zoning authority, tax policy, bonding authority, and budget flexibility — that can be deployed creatively to advance public interest projects. Civic actors should inventory their available tools and use them strategically to enable outcomes that traditional private financing cannot achieve alone.

CONCLUSION

The Fire Station 15 redevelopment represents more than a single project — it embodies a new way of thinking about public land, public-private partnerships, and the tools cities can bring to bear to achieve urgent community needs. By aligning public purpose with private-sector creativity and speed, the City of Atlanta and AUDC have demonstrated how cities can unlock the hidden value of public assets to deliver affordable housing, maintain critical infrastructure, and strengthen community vitality.

The success of this project underscores an important lesson for cities everywhere: meaningful progress on complex challenges like housing affordability and urban revitalization does not require reinventing government. It requires using the tools at hand — land, financing, public influence — in smarter, more coordinated ways. With clear goals, flexible procurement, and a full financial toolkit, civic leaders can deliver outcomes that serve both today’s residents and future generations.