



Underground Atlanta
86 Pryor Street, SW, Suite 300
Atlanta, GA 30303
Phone: 404.880.4100
Fax: 404.880.9333

**CITY OF ATLANTA
TAX ALLOCATION DISTRICTS
QUARTERLY REPORT**

DATE: 7/31/2007

TO: ATLANTA CITY COUNCIL
FULTON COUNTY BOARD OF COMMISSIONERS
ATLANTA BOARD OF EDUCATION

FROM: CHERYL STRICKLAND, MANAGING DIRECTOR, TAX ALLOCATION DISTRICTS

CC: MAYOR SHIRLEY FRANKLIN
DR. BEVERLY HALL, SUPERINTENDENT, ATLANTA PUBLIC SCHOOLS
TOM ANDREWS, COUNTY MANAGER, FULTON COUNTY
SAUNDI WILSON, PRESIDENT, ATLANTA PLANNING ADVISORY BOARD
ATLANTA DEVELOPMENT AUTHORITY BOARD OF DIRECTORS
CITY OF ATLANTA OFFICIALS:
GREGORY GIORNELLI, CHIEF OPERATING OFFICER
JANICE DAVIS, CHIEF FINANCIAL OFFICER
ELIZABETH B. CHANDLER, CITY ATTORNEY
STEVE COVER, COMMISSIONER OF PLANNING

SUBJECT: TAX ALLOCATION DISTRICT QUARTERLY REPORT: 2ND QUARTER 2007

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EVENTS AND OPENINGS

Groundbreakings: Bethursday Development Corporation and Antioch Baptist Church North celebrated the groundbreaking of **Elm Street Townhomes** (Westside TAD) on July 12th. The project, located in the English Avenue Community, will include 28 townhomes, the first phase of which is slated to be completed January 2008. A groundbreaking ceremony was also held for **Edgewood Village/Edge Lofts** (Eastside TAD) on July 8th. The 36-unit condominium project on Edgewood Avenue is a collaborative venture of Butler Street CME Church, the Edgewood Partners and the Butler Street YMCA.

Openings: A certificate of occupancy has been issued to the InVision Group for **Tribute Lofts** (Eastside TAD), a 147-unit condominium project on Freedom Parkway. Thus far, 26 units have been sold (with 88 more under contract) and residents have begun moving in. A ribbon cutting ceremony for **The Washington Condominiums** at Historic Westside Village (Westside TAD) was held on July 28th. The 146-unit transit oriented development, a joint venture of Russell New Urban and the Trammell Crow Company, is located on Martin Luther King Jr. Drive adjacent to the Ashby Marta Station.



The Washington Condominiums in the Westside TAD

4 NEW TADS

City Council recently approved the creation of four additional tax allocation districts (TADs) to help jumpstart redevelopment in three South Atlanta commercial districts and one West Atlanta corridor: Campbellton Road (#7); Stadium Area (#10); Metropolitan Parkway (#9); Hollowell/ML King (#8). The Atlanta Public Schools Board of Education also passed resolutions providing for conditional consent to the inclusion of their property taxes in the four new TADs. We are optimistic that the County Board of Commissioners will consider legislation to allow for the inclusion of their respective property taxes in these four new TADs by the end of 3rd Quarter. On June 28th the Commissioner of the Georgia Department of Revenue, Bart Graham, certified the tax increment base for each of the four new TADs, establishing the base assessed values within each district.

WESTSIDE TAD NEIGHBORHOOD FUND

ADA posted a second Westside TAD Neighborhood Fund RFP in October 2006 to source qualified projects for the remaining monies in the Neighborhood Fund, amounting to approximately \$2.5 million. Of the nine proposals received, a third project was

approved by the ADA Board of Directors on July 19th. Jeffrey Riddle was awarded \$998,550 for the redevelopment of Vine City Terrace, an existing rental project in the Vine City neighborhood that will be converted into 30 affordable townhomes with sales prices ranging between \$85,000 and \$100,000. Marketing efforts will target existing Vine City and English Avenue residents with incomes between 50% and 80% of the area median.

PERRY BOLTON TAD

Six applications for Perry Bolton TAD funding were received and are currently under review. A draft of the real estate market study, which will analyze the viability of these projects, has been completed. The fiscal feasibility study, which will estimate the amount of property taxes generated by these projects over time, is now underway. This information will inform the bond underwriting, and assist us in determining the amount of funding that could be awarded to each recommended project. The Perry Bolton TAD Neighborhood Advisory Committee will be meeting on August 8th to review and vote on the projects, after which approvals will be sought from the ADA Board of Directors and City Council. ADA anticipates issuing bonds to support all approved projects by 4th Quarter 2007, presuming the satisfactory and timely resolution of legal challenges to the bond validation process.

WESTSIDE TAD

On April 24th, 16 applications for Westside TAD funding were received by ADA. July 10th, 11th and 12th ADA staff, the bond underwriter and consultant teams met with each development team individually to review the proposed projects in detail. The real estate market study, the first step in the due diligence process, is currently underway. The formal project approval process is scheduled to begin in September with Westside TAD Neighborhood and Downtown Advisory Board meetings. Recommendations from these two Advisory Boards will then be communicated to the ADA Board of Directors for approval, after which the recommended projects will be packaged as a bond issue and presented to City Council for approval. ADA anticipates issuing bonds to support approved projects in the Westside TAD by 1st Quarter 2008. Disbursement of funds to developers will begin shortly thereafter.

AFFORDABLE WORKFORCE HOUSING UPDATE

The City's first five TADs have funded over 1,770 affordable housing units to date in the Eastside, Westside and Atlantic Station TADs. Approximately 660 affordable units are also planned or underway in the Perry Bolton TAD.

Atlantic Station TAD: The developer's goal is to provide 20% of all residential units to families earning up to 80% AMI. To date, 23% of all housing units constructed, under construction and planned, have been affordable. This includes 401 condominiums and 427 apartments.

Eastside TAD: The Eastside TAD Affordable Housing Program was established to ensure all residential projects receiving Eastside TAD support will include 20% affordable housing targeted to homeowners earning up to 80% of the area median income (AMI) or renters earning up to 60% of AMI. In all, 38%, or 727 units (514 apartments and 213 condominiums), will be affordable, nearly double the target. Thus far, 23 affordable units have closed at The Reynolds and Tribute Lofts. Additionally, 269 apartments at Capitol Gateway have been completed, of which 163 are affordable.

Compliance: ADA manages the Eastside Affordable Housing Purchase Program (“AHPP”), which is currently the only ADA program producing fee-simple affordable housing. Under this program, 20% of all fee simple units in projects receiving TAD assistance are required to be affordable. ADA manages program compliance for the initial purchase of each affordable unit. ADA receives notification upon resale or refinancing; this facilitates monitoring of the occupancy of each affordable unit. Thus far, 14 units have closed at The Reynolds and 9 have recently closed at Tribute Lofts.

Perry Bolton TAD, West Highlands: Fifty-six percent (395 units) of the multi-family units will be affordable. Upon completion, the project will include approximately 240 affordable single family homes, or 20% of all for-sale units. Thus far, 25 of the 57 new single-family homes completed have been set-aside for workforce homeowners.

Princeton Lakes TAD: The enabling legislation did not set forth an affordable housing requirement for this TAD. Approximately 55% (346 homes) of the homes have been sold to date for less than \$200,000, making them affordable to Atlantans earning up to 80% of the area median income. Upon completion of all phases, it is projected that approximately half of the homes (350 homes) will have initial sales prices under \$200,000.

Westside TAD: This TAD does not contain an affordable housing requirement. Instead, 20% of all bond proceeds are dedicated to the Neighborhood Fund to support the redevelopment of Vine City and English Avenue. Approved projects have produced 220 affordable units to date, representing 38% of the total units financed with Westside TAD funds.

ATTACHMENT A

Status of Approved Residential Projects

Project	Units Planned	Units Under Construction	Units Under Contract	Units Closed/ Rented	Total Units
Eastside					
Affordable	0	104	92	0	104
Market Rate	0	413	298	0	413
TWELVE	0	517	390	0	517
Affordable	0	0	2	14	26
Market Rate	0	0	2	49	104
The Reynolds	0	0	4	63	130
Affordable	0	13	0	0	13
Market Rate	0	52	0	0	52
Oakland Park	0	65	0	0	65
Affordable	0	32	32	0	32
Market Rate	0	128	60	0	128
Renaissance Walk	0	160	92	0	160
Affordable	0	0	13	9	29
Market Rate	0	0	75	17	118
Tribute Lofts	0	0	88	26	147
Affordable	9	0	0	0	9
Market Rate	35	0	0	0	35
Edgewood Village	44	0	0	0	44
Affordable	313	91	N/A	110	514
Market Rate	232	61	N/A	50	343
Capitol Gateway	545	152	0	160	857
TOTAL	589	894	574	249	1920

Westside					
Affordable	N/A	N/A	N/A	N/A	0
Market Rate	0	40	42	10	210
Historic Westside Village	0	40	42	10	210
Affordable	0	0	0	194	194
Market Rate	0	0	0	67	67
Gateway Apartments	0	0	0	261	261
Affordable	0	0	0	26	26
Market Rate	0	0	0	75	75
Centennial House	0	0	0	101	101
Affordable	N/A	N/A	N/A	N/A	0

	Market Rate	0	0	0	167	167
Museum Tower		0	0	0	167	167
	Affordable	N/A	N/A	N/A	N/A	0
	Market Rate	0	0	0	49	49
123 Luckie		0	0	0	167	49
TOTAL		0	40	42	706	788

Atlantic Station						
	Affordable	160	0	N/A	241	401
	Market Rate	750	401	N/A	1,111	2,262
Condominiums		910	401	0	1352	2663
	Affordable	0	0	N/A	427	427
	Market Rate	0	0	N/A	303	303
Apartments		0	0	0	730	730
	Affordable	N/A	N/A	N/A	N/A	N/A
	Market Rate	0	84	0	102	186
Single Family/Townhomes		0	84	0	102	186
TOTAL		910	485	0	2,184	3,579

Princeton Lakes						
	Affordable	N/A	N/A	N/A	N/A	N/A
	Market Rate	0	0	0	340	350
Apartments		0	0	0	340	350
	Affordable	N/A	N/A	N/A	N/A	N/A
	Market Rate	310	21	75	563	1153
Single Family/Townhomes		310	21	75	563	1153
TOTAL		310	21	75	903	1,503

ATTACHMENT B

Approved TAD Projects*

Project	Location	Developer	Housing Units	Retail SF	Office SF	Hotel Rooms	Structured Parking	Completion
Eastside (2005 Bond Issue)								
TWELVE	400 W. Peachtree Street	Novare Group	517	20,600	12,900	102	863	2007
The Reynolds	565 Peachtree Street	Urban Realty Partners	130	15,000	0	0	285	2006
Oakland Park	563 Memorial Drive	Urban Realty Partners	65	6,375	0	0	143	2007
Renaissance Walk	177-205 Auburn Avenue	Integral Real Estate Group & Destiny Development LLC	160	27,000	0	0	318	2007
Capitol Gateway	90 Memorial Drive	Trammell Crow Residential, Integral Properties, Urban Realty Partners	857	43,000	0	0	surface	2010
Tribute Lofts	480 John Wesley Dobbs	InVision Group	147	7,110	0	0	246	2007
30 Allen Plaza	30 Ivan Allen Jr. Boulevard	Barry Real Estate	0	10,127	252,887	0	582	2005
Edge Lofts	190 Edgewood Avenue	E.W. Bowen & Company	44	13,365	0	0	538	2008
<i>Total</i>			<i>1,920</i>	<i>142,577</i>	<i>265,787</i>	<i>102</i>	<i>2,975</i>	
Westside (2001 Bond Issue)								
Gateway Apartments	370 Northside Drive	Northside Village Development,	261	8,000	0	0	360	2005
Centennial House	115 W Peachtree Place	Novare & ANDP	101	3,000	0	0	142	2002
Museum Tower	285 Centennial Olympic Park Drive	Harold A. Dawson Co., Selig Enterprises, Southeast Capital Partners	167	30,000	0	0		2002
123 Luckie	123 Luckie Street	Center City Housing Corporation	49	3,600	0	0		2000
Northyards	North Avenue & Northside Drive	Northyards Partners LLC	0	0	250,000	0	0	2001
Historic Westside Village	825 and 831 MLK Jr. Drive	Historic Westside Partners	0	35,000	0	0	0	2001
<i>Total</i>			<i>578</i>	<i>79,600</i>	<i>250,000</i>	<i>0</i>	<i>502</i>	
Westside (2005 Bond Issue)								
World of Coke	Pemberton Place	Coca-Cola Company	0	83,000	0	0	500	2007
55 Allen Plaza	55 Ivan Allen Jr. Boulevard	Barry Real Estate	0	23,220	322,970	0	772	2007
Marietta Place	300 Marietta Street	Legacy Property Group	0	36,874	0	0	existing	2007
Winecoff Hotel	176 Peachtree Street	RD Management	0	1,200	0	127	existing	2007
Park Pavilion	311 Marietta Street	Legacy Property Group	0	45,180	0	242	670	2007
The Glenn	120 Marietta Street	Legacy Property Group	0	5,000	0	110	existing	2006
Historic Westside Village	825-831 MLK Jr. Drive	Trammell Crow Company & Russell New Urban	210	0	0	0	293	2007
<i>Total</i>			<i>210</i>	<i>194,474</i>	<i>322,970</i>	<i>479</i>	<i>2,235</i>	
Atlantic Station (2001 & 2006 Bond Issues)								
<i>Total</i>			<i>3,579</i>	<i>1,327,000</i>	<i>1,018,787</i>	<i>101</i>	<i>22,300</i>	<i>2010</i>
Princeton Lakes (2006 Bond Issue)								
Mixed-Use	Camp Creek Parkway	Princeton Lakes Partners LLC	654	460,767	92,000	0	surface	2008
Single-Family	Camp Creek Parkway	Pulte Homes Corporation	849	0	0	0	0	2008
<i>Total</i>			<i>1,503</i>	<i>460,767</i>	<i>92,000</i>	<i>0</i>	<i>0</i>	

*Includes tax increment generating projects only. Excludes public purpose projects.