



86 Pryor Street, SW, Suite 300
Atlanta, GA 30303
Phone: 404.880.4100
Fax: 404.880.9333
www.atlantada.com

CITY OF ATLANTA TAX ALLOCATION DISTRICTS QUARTERLY REPORT

DATE: 11/4/2009

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
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ZACHARY WILLIAMS, COUNTY MANAGER, FULTON COUNTY
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ROGER BHANDARI, ACTING CITY ATTORNEY
JAMES E. SHELBY, COMMISSIONER OF PLANNING AND COMMUNITY
DEVELOPMENT

SUBJECT: TAX ALLOCATION DISTRICT QUARTERLY REPORT: 3RD QUARTER 2009

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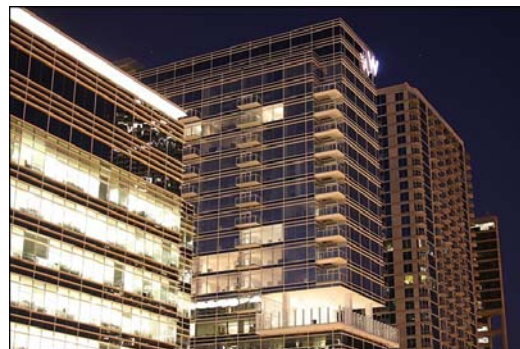
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THE IMPACT OF TADS

For the past ten years, the growth of property value in TADs has outpaced the property value growth of the city as a whole. The 10 TADs in the city of Atlanta have an annual growth rate of 30% while property values in the City grew only 8% over the same period. TADs have spurred the creation of approximately \$2.3 billion of property value growth over the past decade. Since 2001, the city of Atlanta has issued \$410 million in TAD bonds, which leveraged private capital of \$4.5 billion. The resulting investment has created more than 2,400 construction jobs and 6,500 permanent positions. Additionally, the construction of 8,000 housing units and 4.2 million square feet of commercial space can be attributed to these investments.



Tribute Lofts in the Eastside TAD



Allen Plaza in the Eastside and Westside TADs

BELTLINE TAD

On September 16, the Board of Directors of Atlanta BeltLine, Inc. (ABI) named Brian Leary as President and Chief Executive Officer of Atlanta BeltLine, Inc. The ABI Board conducted a national search for the position in coordination with BoardWalk Consulting. Mr. Leary joins ABI from Atlantic Station, where he worked for 12 years to develop the former steel mill into a national model of sustainable development and smart growth.

The Series 2009 bond ordinance was approved by City Council on August 17th and a bond issuance is anticipated by year-end. The Series 2009 bonds are supported in part by the 50 private development projects that have been completed or are under construction in the BeltLine TAD, a clear indication of the success of the project in attracting new investment to the city.

COMMERCIAL CORRIDOR TADS

In late 2006, City Council approved the creation of four additional TADs to help jumpstart redevelopment in four Atlanta commercial corridors:

- Campbellton Road TAD (#7);

- Hollowell / ML King TAD (#8);
- Metropolitan Parkway TAD (#9); and
- Stadium Neighborhoods TAD (#10)

The objective of the four newest TADs is to create a financial incentive that will support public-private partnerships to facilitate the resurgence of the areas by encouraging new substantial private commercial and retail investment.

The Commercial Corridor TADs will provide important economic incentives for new redevelopment opportunities and investments along these major arterials that link Downtown to neighborhoods south and southwest of the city. The goal of these TADs is to enhance the market competitiveness and attract retailers and jobs. The Commercial Corridor TADs all contain sub-areas, or key development nodes, including Greenbriar Mall, Ft. McPherson, Westlake Marta Station, Bankhead Courts, Crosstown Shopping Center and the surface parking lots surrounding Turner Field.

The development nodes have been identified in order to attract new private capital investment to properties at key locations which have historically have been underserved. It is anticipated that the developer applications for the four Commercial Corridor TADs will be accepted beginning early 2010.

WESTSIDE TAD NEIGHBORHOOD FUND

Twenty percent (20%) of the Series 2008 Westside TAD bond proceeds generated by projects in the Downtown area of the TAD, totaling approximately \$2.8 million, were deposited into the Westside TAD Neighborhood Fund. The Neighborhood Fund was established to promote redevelopment and improve the quality of life in the Vine City and English Avenue neighborhoods.

A Request for Proposals was posted on August 17th and applications were accepted through October 1st. Twelve applications seeking nearly \$10 million in funding were received, greatly exceeding expectations.

Applications are currently under review by ADA staff. Developers of select projects will present before the Westside TAD Neighborhood Advisory Board, after which the ADA Board will determine funding recipients. It is anticipated that applicants will be notified of their selection before the end of the year.

AFFORDABLE WORKFORCE HOUSING UPDATE

The City's first five TADs have funded approximately 1,800 affordable housing units to date in the Eastside, Westside and Atlantic Station TADs. Approximately 600 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, 30% of all housing units constructed have been affordable. This includes 241 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 100% of the area median income (AMI) or renters earning up to 60% of AMI. In all, 38%, or 718 units (514 apartments and 204 condominiums), will be affordable, nearly double the target. Thus far, 150 affordable ownership units have closed at TWELVE Centennial Park, Oakland Park, The Reynolds, Renaissance Walk and Tribute Lofts. Additionally, 421 apartments at Capitol Gateway have been completed, of which 254 are affordable.

Sales prices on affordable ownership units in the Eastside TAD continue to drop. Developers of each of the 5 condominium projects have implemented significant price reductions, with some units now selling for as low as \$119,000. For more information on available units and the various downpayment assistance programs administered by ADA, check out our guide to downpayment assistance programs, available on the [ADA website](#).

Compliance: ADA manages the Eastside Affordable Housing Purchase Program ("AHPP"). 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, 150 units priced between \$119,900 and \$155,000 have closed at The Reynolds, Tribute Lofts, Oakland Park, TWELVE Centennial Park and Renaissance Walk.

Perry Bolton TAD, West Highlands: Fifty-six percent (395 units) of the multi-family rental units are affordable. Upon completion, the project will include approximately 240 affordable single family homes, or 20% of all for-sale units.

Princeton Lakes TAD: The enabling legislation did not set forth an affordable housing requirement for this TAD. Approximately 50% 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 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 246 affordable units to date, representing 21% 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	0	5	88	104
Market Rate	0	0	7	279	413
TWELVE	0	0	12	367	517
Affordable	0	0	1	24	26
Market Rate	0	0	8	84	104
The Reynolds	0	0	9	108	130
Affordable	0	0	0	10	13
Market Rate	0	0	1	11	52
Oakland Park	0	0	1	21	65
Affordable	0	0	0	8	32
Market Rate	0	0	16	13	128
Renaissance Walk	0	0	16	21	160
Affordable	0	0	3	20	29
Market Rate	0	0	4	93	118
Tribute Lofts	0	0	7	113	147
Affordable	260	0	N/A	245	514
Market Rate	176	0	N/A	120	343
Capitol Gateway	436	0	0	365	857
Total Affordable	260	0	9	395	718
Total Market Rate	176	0	36	600	1158
TOTAL	436	0	45	995	1876
Westside					
Affordable	N/A	N/A	N/A	N/A	N/A
Market Rate	0	0	6	5*	74
45 Allen Plaza	0	0	6	3	74
Affordable	N/A	N/A	N/A	N/A	N/A
Market Rate	0	0	33	25	112
Castleberry Point	0	0	33	25	112
Affordable	26	0	0	0	26
Market Rate	197	0	0	0	197
Northside Plaza	223	0	0	0	223
Affordable	N/A	N/A	N/A	N/A	N/A
Market Rate	0	30	15	38	210
Historic Westside Village	0	30	15	38	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	N/A
Market Rate	0	0	0	167	167
Museum Tower	0	0	0	167	167
Affordable	N/A	N/A	N/A	N/A	N/A
Market Rate	0	0	0	49	49
123 Luckie	0	0	0	167	49
Total Affordable	26	0	0	220*	246
Total Market Rate	197	30	54	419	951
TOTAL	223	30	54	639	1,197

Atlantic Station					
Affordable	160	0	N/A	241	401
Market Rate	750	0	N/A	1,111	1,861
Condominiums	910	0	0	1352	2262
Affordable	0	0	N/A	427	427
Market Rate	0	0	N/A	217	217
Apartments	0	0	0	644	644
Affordable	N/A	N/A	N/A	N/A	N/A
Market Rate	0	0	0	186	186
Single Family/Townhomes	0	0	0	186	186
Total Affordable	160	0	0	668	828
Total Market Rate	750	0	0	1,514	2,264
TOTAL	910	0	0	2,182	3,579

Princeton Lakes					
Affordable	N/A	N/A	N/A	N/A	N/A
Market Rate	0	0	0	509	656
Apartments	0	0	0	509	656
Affordable	N/A	N/A	N/A	N/A	N/A
Market Rate	85	5	0	861	964
Single Family/Townhomes	85	5	0	861	964
Total Affordable	0	0	0	0	0
Total Market Rate	85	5	0	1370	1460
TOTAL	85	5	0	1,370	1,460

*Includes 4 lease purchase units.

ATTACHMENT B

Approved TAD Projects

Project	Location	Developer	Housing			Hotel	Structured	TAD Funding	Project Cost	Completion
			Units	Retail SF	Office SF	Rooms	Parking			
Eastside (2005 Bond Issue)										
30 Allen Plaza	30 Ivan Allen Jr. Boulevard	Barry Real Estate	0	10,127	252,887	0	582	\$2,300,000	\$41,387,995	2005
The Reynolds	565 Peachtree Street	Urban Realty Partners	130	15,000	0	0	285	\$4,300,000	\$34,200,000	2006
TWELVE	400 W. Peachtree Street	Novare Group	517	20,600	12,900	102	863	\$11,000,000	\$122,575,000	2007
Tribute Lofts	480 John Wesley Dobbs	InVision Group	147	7,110	0	0	246	\$3,200,000	\$32,224,084	2007
Oakland Park	563 Memorial Drive	Urban Realty Partners	65	6,375	0	0	143	\$1,800,000	\$16,170,000	2007
Renaissance Walk	177-205 Auburn Avenue	Integral Real Estate Group &	160	27,000	0	0	318	\$4,000,000	\$48,492,441	2007
Capitol Gateway	90 Memorial Drive	Trammell Crow Residential,	857	43,000	0	0	surface	\$5,300,000	\$115,000,000	2010
<i>Total</i>			<i>1,876</i>	<i>129,212</i>	<i>265,787</i>	<i>102</i>	<i>2,437</i>	<i>\$31,900,000</i>	<i>\$410,049,520</i>	
Westside (2001 Bond Issue)										
123 Luckie	123 Luckie Street	Center City Housing Corporati	49	3,600	0	0		\$480,000	\$12,764,550	2000
Northyards	North Avenue & Northside Drive	Northyards Partners LLC	0	0	250,000	0	0	\$1,225,000	\$29,037,000	2001
Historic Westside Village	825 and 831 MLK Jr. Drive	Historic Westside Partners	0	35,000	0	0	0	\$1,900,000	\$16,781,045	2001
Centennial House	115 W Peachtree Place	Novare & ANDP	101	3,000	0	0	142	\$422,575	\$16,781,045	2002
Museum Tower	285 Centennial Olympic Park Drive	Harold A. Dawson Co.,	167	30,000	0	0		\$5,800,000	\$53,760,876	2002
Gateway Apartments	370 Northside Drive	Northside Village Development,	261	8,000	0	0	360	\$2,072,001	\$28,803,239	2005
<i>Total</i>			<i>578</i>	<i>79,600</i>	<i>250,000</i>	<i>0</i>	<i>502</i>	<i>\$11,899,576</i>	<i>\$157,927,755</i>	
Westside (2005 Bond Issue)										
The Glenn	120 Marietta Street	Legacy Property Group	0	5,000	0	110	existing	\$1,500,000	\$20,945,698	2006
World of Coke	Pemberton Place	Coca-Cola Company	0	83,000	0	0	500	\$7,400,000	\$96,400,000	2007
55 Allen Plaza	55 Ivan Allen Jr. Boulevard	Barry Real Estate	0	23,220	322,970	0	772	\$3,000,000	\$64,026,561	2007
Marietta Place	300 Marietta Street	Legacy Property Group	0	36,874	0	0	existing	\$1,300,000	\$7,928,604	2007
The Ellis	176 Peachtree Street	RD Management	0	1,200	0	127	existing	\$4,100,000	\$25,866,933	2007
Park Pavilion	311 Marietta Street	Legacy Property Group	0	45,180	0	242	670	\$4,400,000	\$88,500,000	2008
Historic Westside Village	825-831 MLK Jr. Drive	Trammell Crow Company &	210	0	0	0	293	\$30,000,000	\$41,845,518	2009
<i>Total</i>			<i>210</i>	<i>194,474</i>	<i>322,970</i>	<i>479</i>	<i>2,235</i>	<i>\$51,700,000</i>	<i>\$345,513,314</i>	
Westside (2008 Bond Issue)										
45 Allen Plaza	45 Ivan Allen Jr. Boulevard	Barry Real Estate Companies	76	16,409	0	121	0	\$7,094,787	\$162,698,317	2009
Castleberry Point	333 Nelson Street	Miller Gallman Developers	112	35,663	0	291	610	\$1,952,167	\$31,785,000	2008
Northside Plaza	400 & 445 Markham Street	Harold A. Dawson Co.	223	12,900	0	0	TBD	\$1,404,920	\$36,124,000	2010
Historic Westside Village	Martin Luther King Jr. Drive	Russell New Urban/Trammell C	0	30,844	0	0	0	\$236,213	\$7,619,205	2009
Technology Enterprise Parl	369-388 Technology Circle	The University Financing Found	0	0	172,880	0	0	\$2,792,299	\$65,386,383	2009
Center for Civil and Human	Ivan Allen Jr. Boulevard & Centennial	National Center for Civil and Hu	0	90,000	0	0	0	\$40,002,441	\$125,000,000	2012
<i>Total</i>			<i>411</i>	<i>185,816</i>	<i>172,880</i>	<i>412</i>	<i>610</i>	<i>\$53,482,827</i>	<i>\$428,612,905</i>	
Atlantic Station (2001 & 2006 Bond Issues)										
<i>Total</i>			<i>3,579</i>	<i>1,345,600</i>	<i>1,568,787</i>	<i>101</i>	<i>22,300</i>	<i>\$189,763,145</i>	<i>\$1,512,000,000</i>	<i>TBD</i>
Princeton Lakes (2006 Bond Issue)										
Mixed-Use	Camp Creek Parkway	Princeton Lakes Partners LLC	776	460,767	92,000	160	surface	\$7,400,000	\$145,000,000	2010
Single-Family	Camp Creek Parkway	Pulte Homes Corporation	844	0	0	0	0	\$10,500,000	\$157,906,722	2009
<i>Total</i>			<i>1,620</i>	<i>460,767</i>	<i>92,000</i>	<i>160</i>	<i>0</i>	<i>\$17,900,000</i>	<i>\$302,906,722</i>	

*Includes tax increment generating projects only. Excludes public purpose projects with the exception of the Center for Civil and Human Rights.