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

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

**FROM:** CHERYL STRICKLAND, MANAGING DIRECTOR, TAX ALLOCATION DISTRICTS

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**SUBJECT:** TAX ALLOCATION DISTRICT QUARTERLY REPORT: 1<sup>ST</sup> QUARTER 2005

**DATE:** 5/18/2005

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## EXECUTIVE SUMMARY

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### INTRODUCTION

The Atlanta Development Authority (“ADA”) serves as the Redevelopment Agent for the City of Atlanta’s five tax allocation districts (“TADs”). As such, it is our responsibility to report on the level of activity within the five TADs, as well as to document significant indicators of progress within the districts. The City of Atlanta currently has five tax allocation districts (“TADs”).

From 1999-2004 the City of Atlanta initiated only two relatively small TAD bond issuances (one to support Atlantic Station and one to support projects in the Westside TAD). Since our last quarterly report (4<sup>th</sup> Quarter, 2004), there have been no new bond issuances within any of the TADs.

However, the level of TAD activity will increase exponentially in 2005. The following report summarizes the significant developments that will occur over the next 12 months.

### 2005 TAD BOND ISSUANCES: UNPRECEDENTED ECONOMIC ACTIVITY



*Atlantic Station TAD: The Commons*



*Perry Bolton TAD: Columbia Park Citi*

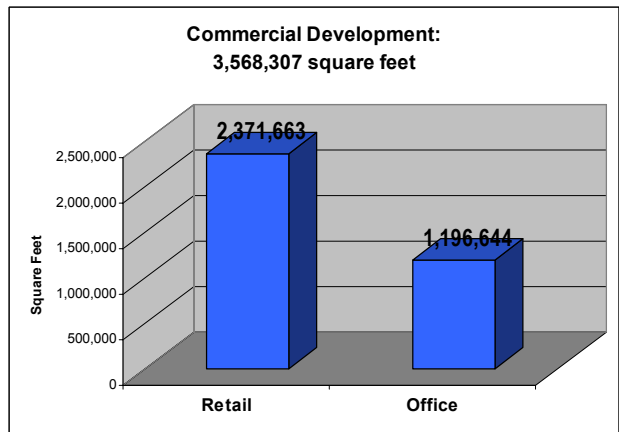
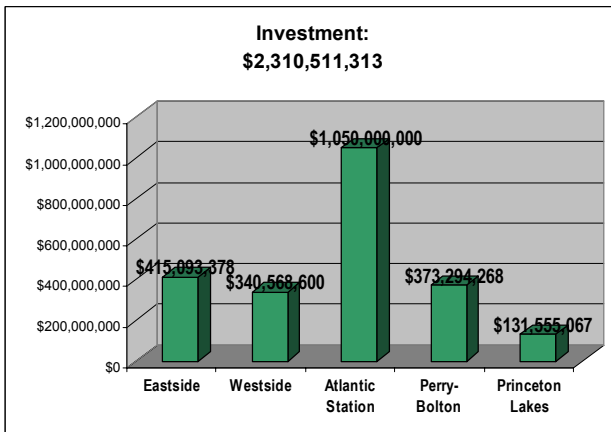
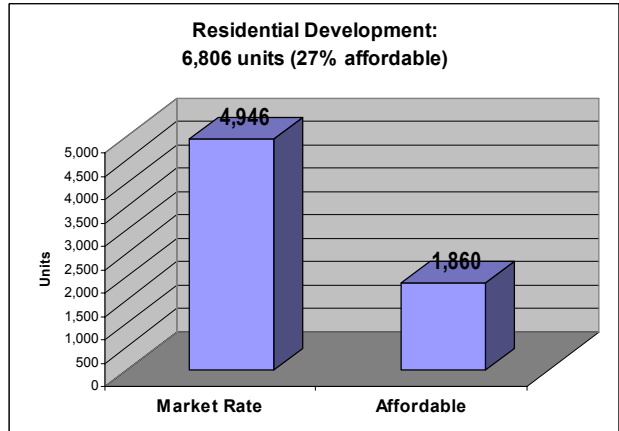
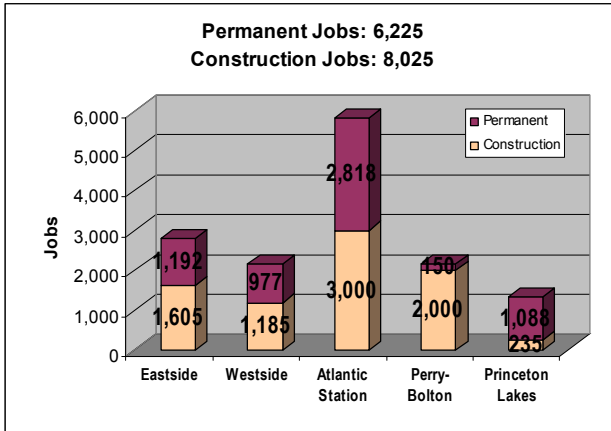
2005 will be a year of unprecedented activity within the City’s five TADs. We anticipate at least four, and possibly five, bond issuances this year. Those bond issuances will spur a level of economic development that has not been seen in Atlanta since the Olympics.

The bond issuances will support projects as important and diverse as:

- the first new development on Auburn Avenue in 30 years
- the new World of Coca Cola tourist attraction
- the beginnings of a vibrant downtown residential neighborhood at Centennial Hill
- the first quality office building downtown in more than a decade
- the long-awaited completion of Historic Westside Village
- and the redevelopment of two of the City’s former public housing projects into healthy mixed-income communities that will generate new investment in long-neglected neighborhoods.

The full economic impact of the projected 2005 TAD bond issuances is as follows:<sup>\*</sup>

- **New Capital Investment:** \$2.3 billion
- **New Housing Units:** 6,806
- **Affordable Housing Units:** 1,860
- **Population Growth:** 20,000
- **Jobs:** 8,025 construction jobs and 6,225 permanent positions
- **Annual Economic Impact of New Jobs:** \$470,694,895<sup>†</sup>
- **Retail Space:** 2,371,663 square feet
- **Office Space:** 1,196,644 square feet



Taken together, the projects paint a picture of true economic health for Atlanta: the return of residents to the urban core, affordable housing, new retail space equivalent to almost three Phipps Plazas, more than 6,000 new jobs, and new ongoing economic impact that approaches \$500 million per year.

<sup>\*</sup> These figures include build-out of all phases of the West Highlands project in the Perry-Bolton TAD, only projects that are existing or planned near-term at Atlantic Station and excludes the single-family residential portion of the Princeton Lakes development.

<sup>†</sup> Based on an average salary of \$20,493 for retail workers and \$42,757 for construction workers in the Atlanta MSA (Source: Georgia Labor Market Explorer)

## HIGHLIGHT: HISTORIC WESTSIDE VILLAGE

In years past, Historic Westside Village was the heart of the African-American community on the Westside of the City. Its commercial core along Martin Luther King Jr. Drive contained many long standing commercial enterprises, perhaps the most legendary being Pascal's restaurant, which was a community gathering place associated with Dr. King and the advancement of civil rights.

Historic Westside Village also served as the center for commercial activity in Vine City and the complex of colleges at the Atlanta University Center. However, the area fell into decline following desegregation and the resulting loss of exclusive African American patronage.

In 1998, nearly 40 years after its initial decline, ADA led the City's efforts to redevelop this area of the Vine City community. Although these early revitalization efforts were not well-executed, current plans for the site will fulfill the community's vision for the project. In 2004, Trammel Crow Company and H.J. Russell, now Historic Westside Village LLC, were selected through an RFP process to implement the next phase of the revitalization.



*Historic Westside Village Original and Proposed New Retail*

The next phase of the development will expand the commercial portion of the Historic Westside Village, located at the intersection of Martin Luther King Jr. Drive and Joseph P. Lowery Boulevard, to include a residential component on vacant land adjacent to the Publix grocery store. Upon completion, the Historic Westside Village will result in \$42 million in new investment and will provide 206 new residential units, including 60 townhouses and 146 loft-style condominium units.

In addition, the project will result in the creation of 185 construction jobs and 100 new permanent jobs. Close proximity to the Atlanta University Center is one the property's key strengths, providing an alternative housing option for students, as well as an established market for the retail

development. Additionally, the project is highly accessible; the on-site Ashby Marta station offers residents and patrons mass transit capabilities. The site plan designates walkways as well as tree-lined sidewalks for the comfort and safety of pedestrians. At the request of the community, a public gathering plaza has also been included in the plan.



*Historic Westside Village Proposed Site Plan*

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## HIGHLIGHT: THE WORLD OF COCA-COLA

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One of the most significant and visible new developments in Atlanta will be the long-awaited new World of Coca-Cola. Since its unveiling to the City of Atlanta in June 2004, the World of Coca-Cola has received high acclaim and support from the City.

Located just north of Centennial Olympic Park and adjacent to the Georgia Aquarium (now under construction), the New World of Coca Cola family entertainment destination is estimated to encompass 83,000 square feet, nearly double the size of its current facility in Underground Atlanta. The attraction will be open seven days a week and is expected to draw between 1 and 1.3 million visitors a year; the current museum draws 800,000 people. Guests will experience enhanced interactive exhibits that showcase the Coca-Cola Company's worldwide beverages. One interactive exhibit in particular is expected to augment the current museum's most popular feature, "Taste of the World", where visitors have the ability to sample international Coca-Cola beverages. The site will be surrounded by a plaza and a 2.8-acre park which will be integrated into Centennial Olympic Park.

Upon completion, the project will represent a \$96 million investment and will directly employ 90 full-time employees, about 28 more than are currently employed at the existing World of Coca-Cola. According to a study conducted by Georgia State University, the World of Coca Cola and Georgia Aquarium combined will generate an additional \$255 million in state and local taxes over 15 years and create as many as 3,300 jobs throughout Georgia. Additionally, these projects are expected to boost the state's economy by nearly \$200 million a year. The project was recently approved by the ADA Board to receive over \$5 million in TAD funds which will be used to offset the cost of the common entry plaza, the urban park, and to provide attractive screening for the parking deck. Construction has already started and is expected to be completed by April 2007.



*Rendering of the new World of Coca-Cola*

## GENERAL INFORMATION

The Atlanta Development Authority (“ADA”) serves as redevelopment agent for all tax allocation districts (“TADs”) formed within the City of Atlanta. To date, five such TADs have been established: Westside, Atlantic Station, Perry-Bolton, Princeton Lakes and Eastside. As Redevelopment Agent, ADA’s responsibilities include providing the participating governmental entities with quarterly updates containing timely, substantive and comprehensive information on development activity within each of the City’s TADs.

### PROCESS

In the first step of the project approval and bond issuance process, ADA staff meets with each developer to discuss the conceptual project overview. After reviewing the project scope, ADA determines the project’s eligibility. If the project appears consistent with the goals outlined in the Redevelopment Plan, the developer’s next step is to complete and submit the TAD application and application fee. Applications undergo thorough staff evaluation, underwriting, feasibility studies and fiscal analysis. Projects are also presented to a community advisory board or committee which makes recommendations to the ADA Board in support of or against individual projects. Furthermore, ADA partners with the City’s Finance and Law Departments throughout the bond issuance process. Developers of approved projects enter into a ‘Development Agreement’ with the City and ADA, the conditions of which must be approved by the ADA Board. City Council must then approve bond documents and funding amounts before tax allocation bonds are sold. The proceeds from the bond issue are distributed to the developers as outlined in the bond documents.

### HISTORIC BOND ISSUANCE

TAD	Issuance Date	Amount
Atlantic Station	October 2001	\$76.5 million
Westside	December 2001	\$14.9 million

### PROJECTED 2005 BOND ISSUANCE SCHEDULE

TAD	Advisory	ADA Board	City Council	Issuance	Est. Amount
Atlantic Station	N/A	Approved	Approved	2005	\$85 million
Eastside	Approved	Approved	Approved	June 2005	\$50 million
Westside	Approved	Approved	June 2005	July 2005	\$40 million
Perry-Bolton	July 2005	August 2005	September 2005	October 2005	\$56 million
Princeton Lakes	N/A	September 2005	October 2005	November 2005	\$15 million

## CITY OF ATLANTA TAD UPDATES

### EASTSIDE TAD

Established in 2003, the initial bond issuance for the Eastside TAD is anticipated to occur in the second quarter of 2005. All of the projects listed below have received approval from the ADA Board and City Council. Two projects within the TAD, 30 Allen Plaza and The Reynolds, are currently under construction.

**New Investment:** The proposed investment in the Eastside TAD will total over \$300 million in public and private funds. Six of the seven proposed projects are residential, containing over 1,800 units of which approximately 700 (38%) are to be affordable to residents earning up to 80% of the area median income (AMI). **Population Growth:** Projected downtown population growth resulting from this development, after the completion of all phases, is 15% (from 25,000 to 29,550). **Retail:** In addition to adding vital residential units downtown, each of these projects will create street-level retail in several under-served areas, including the Memorial Drive and Auburn Avenue Corridors, SoNo (south of North Avenue), and Centennial Hill. **Job Growth:** The development of these seven projects is expected to create approximately 1,300 new permanent jobs and approximately 1,670 construction jobs.‡



30 Allen Plaza

### EASTSIDE TAD APPROVED PROJECTS

Project	Developer	Project Size	Total Project Cost	Approved Funding Amount
30 Allen Plaza	Barry Real Estate	250,000 sf office 10,000 sf retail	\$58,000,000	\$2,300,000
Tribute Lofts	InVision	147 apartments 7,100 sf retail	\$24,216,700	\$3,200,000
Oakland Park	Urban Realty Partners	62 condominiums 5,500 sf retail	\$33,700,000	\$4,300,000
The Reynolds	Urban Realty Partners	130 condominiums 15,400 sf retail	\$14,600,000	\$1,800,000
Capitol Gateway	Capitol Gateway LLC (Trammell Crow Residential, Integral Properties, Urban Realty Partners)	265 apartments 43,000 sf retail	\$28,728,600	\$5,300,000
TWELVE Centennial Park	Novare Group	517 condominiums <sup>§</sup> 102 rooms 33,500 sf retail/office	\$108,000,000	\$11,000,000
Edgewood Village	E.W. Bowen & Butler St. CME	44 condominiums 550 spaces 10,000 sf retail	\$15,900,000	\$1,500,000
Sweet Auburn Village	Integral Real Estate Group & Destiny Development LLC	164 condominiums 7,500 sf retail	\$45,676,700	\$4,000,000
Parks & Greenspace				\$3,500,000
<b>Subtotal</b>			<b>\$328,821,978</b>	<b>\$36,900,000</b>

‡ Complete build-out of Capitol Gateway is included in these totals. TAD funding received from the 2005 bond issue will support infrastructure for all phases of development, totaling 857 apartments and approximately \$115 million in investment.

§ Phase 2 of this project will add 517 additional condominium units and approximately \$80 million in investment. This phase of development is not included in the statistical analysis.

**Greenspace:** City Council also approved the allocation of up to \$3.5 million from the proposed bond issue for parks and greenspace acquisition and development. **Partnership with APS:** Pursuant to the terms of the authorizing legislation, 5.5% of net proceeds from each bond issue is distributed to the Atlanta Public Schools; if funding is approved at recommended levels, this could amount to over \$1.5 million in 2<sup>nd</sup> Quarter 2005. It should be noted that these proceeds must be reinvested in permitted capital expenditures within this TAD.

## WESTSIDE TAD

The City of Atlanta issued \$14.9 million in TAD bonds in December 2001. The following projects received funding from this first bond issuance: Historic Westside Village, Museum Tower, Centennial House, 123 Luckie Condominiums, Northyards Roundhouse, and Northside Village Apartments. A total of 578 housings units were constructed, of which 220, or 38%, were affordable.



55 Allen Plaza

**Partnership with APS:** As part of the original Westside TAD resolutions, the City agreed to make distributions to the Atlanta Public Schools totaling \$7 million (\$5 million from the initial bond issuance and \$2 million from a 10% share of future bond issuances). As of today, approximately \$1.3 million remains on the “first issuance” obligation and the remaining \$2 million will likely be distributed following the next bond issuance in 2005.

The next bond issuance for the Westside TAD is anticipated for the 3<sup>rd</sup> Quarter of 2005. The projects were approved by the Community Advisory Boards and the ADA Board in March and will go before City Council for funding consideration in June. These projects will potentially add approximately 350 hotel rooms, 320,000 square feet of office space and much needed structured parking. Recently, a groundbreaking ceremony was held for the 55 Allen Plaza project, part of the proposed Allen Plaza complex in Centennial Hill. The office tower will be anchored by Ernst and Young, a significant downtown event given the recent migration of large office tenants to Midtown and Buckhead.



Park Pavilion

**Population Growth:** The 406 planned condominiums units will add almost 900 new residents to downtown Atlanta.

**Retail:** A significant amount of new retail space will be added as a result of these projects, including a long-awaited grocery store or pharmacy in Centennial East and a new pharmacy in the Historic Westside Village. In all, over 260,000 square feet of restaurants, shops and entertainment space will be facilitated through TAD assistance.

**New Investment:** Total investment for the proposed projects in the Westside TAD totals over \$300

million. **Job Growth:** The economic impact of the projects listed below, if funded, will be substantial. Nearly 1,200 construction jobs and when complete, over 2,800 permanent positions are expected.

**WESTSIDE TAD PROJECT APPLICATIONS UNDER REVIEW**

Project	Developer	Project Size	Total Project Cost	Approved Funding Amount
Centennial East	Integral Real Estate Group	200 condominiums 31,200 sf retail	\$40,562,100	\$4,700,000
55 Allen Plaza	Barry Real Estate	323,000 sf office 23,220 sf retail	\$78,042,300	\$5,400,000
Historic Westside Village	Trammell Crow and H.J. Russell	206 condos/townhomes 36,900 sf retail	\$34,674,200	\$4,100,000
Marietta Place	Legacy Property Group	515 spaces	\$11,310,000	\$1,300,000
Park Pavilion	Legacy Property Group	108 hotel rooms; 515 spaces; 39,300 sf retail	\$38,152,000	\$2,400,000
The Glenn Boutique Hotel	Legacy Property Group	110 hotel rooms 5,000 sf retail	\$20,900,000	\$1,500,000
Wincoff Hotel	Jay Furman	127 hotel rooms 10,000 sf retail	\$20,528,000	\$1,300,000
World of Coke	The Coca Cola Export Corp.	83,000 sf 500 spaces	\$96,400,000	\$5,400,000
<b>Subtotal</b>			<b>\$340,568,600</b>	<b>\$26,100,000</b>

**ATLANTIC STATION**

The Atlantic Steel tax allocation district is a project-oriented TAD created specifically to finance the infrastructure needs of the Atlantic Station mixed-use development on the former site of the Atlantic Steel Company. The City of Atlanta issued \$76.5 million of TAD bonds in 2001. **New Investment:** As of today, over \$200 million in infrastructure has been completed including new sanitary sewer system, separated storm water bypass system, roadways, structured parking, utilities, sidewalks, streetscapes, and a lake (used as part of the storm water detention system). Total project cost over the 10 year + development period is anticipated to be over \$2 billion. **Job Growth:** Project development has generated over 3,000 construction jobs and upon completion, Atlantic Station is expected to be home to approximately 30,000 employees. Additionally, a total of 28% of construction contract dollars has been awarded to MBE/FBE firms since the bond closing in October in 2001.

**Mixed-Use Development:** Currently, there are a considerable number of projects under construction on the Atlantic Station site. Several national as well as local retailers have been announced as tenants in the 811,000 square foot retail and entertainment center, scheduled to open in fall of 2005, including Target, Dillard’s, Publix, Regal Cinema 16, and a variety of restaurants. The 366,000 square foot Ikea store has announced its grand opening on June 29<sup>th</sup>. Novare Group and Wood Partners’ 404-unit residential and 101-room hotel tower, TWELVE



17th Street and TWELVE Atlantic Station



The Commons and Ikea



The District

Atlantic Station, is scheduled to open at the end of 2005. This project, along with Lane Company's recently announced ATL Lofts and Element, both have a considerable number of people on waiting lists to purchase units. Thus far, over 1,800 residential units are either complete or under construction, 28% of which are affordable.

Both the ADA Board and City Council have approved an additional bond issue for the Atlantic Station project. Following final negotiation of the Development Agreement, we expect additional bonds to be issued in 2005 to reimburse the developer for already expended infrastructure costs.

## PERRY-BOLTON

The Perry-Bolton TAD was approved in December 2002. This TAD was created in part to help finance the redevelopment of the Perry Homes Housing project into a mixed-income and mixed-use development consistent with earlier HOPE VI projects of the Atlanta Housing Authority.

**Mixed-Use Development:** Construction is currently underway on the West Highlands development, located on the former Perry Homes site. Developed by Perry Homes Redevelopment LLC, a partnership of Columbia Residential, Brock Built, and Perry Golf Development, and sponsored by the Atlanta Housing Authority, the project will be built-out in four phases of construction.

Phase I of the multi-family development, Columbia Estates, was completed in December of 2003 with a total of 124 residential units and amenities; Phase IIA, Columbia Heritage, a 132-unit senior living facility, and IIB, Columbia Park Citi, 154-unit apartment community, were completed in December 2004. Columbia Park Citi is currently 20% leased and Columbia Heritage is 40% leased, both with new residents moving-in daily. Phase III, Columbia Crest, is currently under construction and slated to be completed in December of 2005. This project will include an additional 152 apartments as well as street-level retail.

Phase I of the single-family development is underway and will include 80 homes, of which 24 are currently under construction or completed. Of these, all 24 are either closed, under contract, or reserved. The project is also slated to eventually include 55,000 square feet of retail space, a YMCA, a library, school, golf course, and several parks and trails.



*Columbia Crest*



*"Senior Spring Fling" at Columbia Heritage*

**Population Growth:** Once complete, the project will include over 1,200 single family units and 700 multi-family units, of which 40% will be affordable overall, creating housing for over 8,000 residents in all. **New Investment:** The West Highlands project will generate a total investment of over \$370 million for all phases of development. Bond issuance is anticipated in 2005.

## PRINCETON LAKES

The Atlanta City Council and Fulton County Board of Commissioners have elected to participate in the tax allocation district. We have received one application for TAD funding and anticipate receiving a second in May. The Princeton Lakes TAD will be developed by two development teams: Princeton Lakes Partners, LLC and Pulte Homes. Princeton Lakes Partners, as the

master developer of the commercial portion of the TAD, is responsible for site preparation and installation of infrastructure. Thus far, they have moved 2.5 million square feet of dirt for grading and earth removal, constructed nearly 10,000 feet of sewer lines, and installed a new street, bridge and streetscapes. **Job Growth:** Once completed, the project will be responsible for having created over 1,000 new retail and office jobs. In addition, it is estimated that over 230 construction jobs will be created on-site. **Mixed-Use Development:** The project, which includes phase II of the highly successful Camp Creek Marketplace, will contain 28 stores and restaurants, a medical office building, daycare center, as well as 300 townhomes, 345 apartments, and approximately 1,100 single family homes. **New Investment:** It is estimated that development within the Princeton Lakes TAD will amount to an investment of over \$145 million; this excludes the cost associated with the development of the 1,100 single family homes which will be substantial and addressed in our next report.



*Future Site of 1,100 Pulte Homes*



*Future Site of Camp Creek Marketplace II*

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\*\* This figure does not include construction jobs that will be created in association with the single-family residential development. (application has not been received)

## CITY OF ATLANTA TAX ALLOCATION DISTRICTS

