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CITY OF ATLANTA TAX ALLOCATION DISTRICTS QUARTERLY REPORT

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

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SUBJECT: TAX ALLOCATION DISTRICT QUARTERLY REPORT: 4TH QUARTER 2005

DATE: 1/18/2006

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EXECUTIVE SUMMARY- A YEAR IN REVIEW

A considerable amount was accomplished in the City's five TADs throughout 2005. The Westside and Eastside TAD 2005 bond issues closed, increasing the TAD assets under management from \$91.5 million to \$221.5 million. Sixteen projects received support through these two issues, generating over \$800 million in total capital investment in downtown Atlanta, spurring downtown revitalization at a pace not seen since before the Olympics:

- 1st new Auburn Avenue development in 30 years
- Two Class-A office buildings, 1st in over 10 years
- Redevelopment of a former Atlanta Housing Authority housing project
- Rehabilitation of long blighted hotel strategically located along the Peachtree corridor
- New restaurants and a major tourist attraction
- Significant new downtown residential properties

Two projects located in the Princeton Lakes TAD are substantially underwritten and have been approved for funding by ADA Board. Construction, leasing and sales at Atlantic Station and West Highlands in the Perry-Bolton TAD continue, with bond issues anticipated in 2006.

Great news! The BeltLine TAD has been passed by the City, County and Board of Education, making it Atlanta's sixth TAD. The BeltLine presents a huge opportunity for the City of Atlanta and its establishment is a great accomplishment for ADA and all of its partners.

PRINCETON LAKES TAD



Camp Creek MarketPlace in October



Camp Creek MarketPlace II in December

1st Quarter Bond Issue: We anticipate issuing bonds to support development in the Princeton Lakes TAD in February 2006. Considerable progress has been made in the Princeton Lakes TAD this past year. Vertical construction has commenced in both the mixed-use and residential portions of the TAD, with homeowners moving-in in December. The two projects were approved by the ADA Board on December 15th to receive Princeton lakes TAD funding. Both the mixed-use portion of the project and the residential portion were unanimously approved by the Board. ADA staff will present the bond package to City Council for approval in January or February.

Mixed-Use: Princeton Lakes Partners, as the master developer of the mixed-use/commercial portion of the TAD, is responsible for site preparation and installation of infrastructure. Individual parcels have already been sold to

developers, including North American Properties, Worthy and Ackerman. North American Properties recently broke ground on Camp Creek Marketplace II and Publix Center. The planned properties of Princeton Lakes TAD will add approximately **460,000 new square feet** of retail space, and will provide easy access to goods and services. Signed retailers include: American Signature Furniture, LA Fitness, Circuit City, DSW and Publix.

The mixed-use portion of the Princeton Lakes TAD will also include 90,000 square feet of medical office space, over 300 townhomes, 350 apartments, a day care center and several other shops and restaurants.

Residential: Pulte Homes' single-family residential development is also under construction and will eventually include almost 850 single-family homes. To date, 104 single-family homes have closed and 86 have been reserved and are under construction. The sales prices for these homes ranged from the high \$130,000s to over \$250,000. Five model homes have also been constructed and decorated and are open for viewing.

Affordable Housing: Although the enabling legislation did not set forth an explicit affordable housing requirement for this TAD, over 75% 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.



Subdivision Preparation in April



Single Family Homes in December

WESTSIDE TAD

Over \$82 million in Westside TAD 2005 bonds closed on December 8th. The bond issue will support eight projects which add approximately 480 hotel rooms, 320,000 square feet of office space, almost 230,000 square feet of retail and entertainment space, 400 condominiums and much needed structured parking. In addition to these projects, a significant amount of funding was raised to build supportive housing, assessment centers and other facilities to reduce homelessness in Atlanta. The projects will all further the goals of the Homelessness Commission's "Blueprint to End Homelessness."

Westside TAD Neighborhood Fund: Approximately \$14 million was deposited into the Westside TAD Neighborhood Fund following the bond issuance on December 8th. The Neighborhood Fund was established in the City's legislation to help promote redevelopment in the Vine City and English Avenue Neighborhoods. A Request for Proposals was posted on January 16th and applications will be accepted until April 17th. ADA has arranged for the Small and Minority Business Development Centers at Clark Atlanta, The Georgia Institute of Technology and Georgia State University to assist

potential applicants by providing consulting and technical assistance in several areas, including:

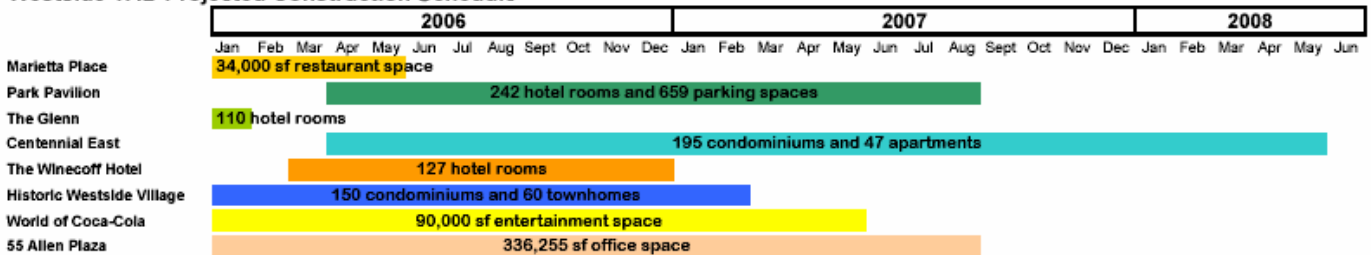
- Identifying appropriate partnership/joint venture opportunities (CDCs/neighborhood organizations, universities and private developers) and jointly pursuing such projects;
- Assisting in business and feasibility planning;
- Assisting applicants in identifying alternative/additional sources of financing, both debt and equity; and
- Ensuring that applicants are aware of the funding requirements and limitations.

For more information on the Westside Neighborhood Fund, or to download the RFP, please visit our website.

Under Construction: Three projects approved to receive Westside TAD funds are currently under construction: 55 Allen Plaza, Marietta Place and the World of Coca-Cola. Further, Glenn Hotel is also under renovation and is scheduled to open mid-January. A groundbreaking ceremony was held on November 3rd for the long-awaited residential portion of the Historic Westside Village project.

Affordable Housing: While this TAD does not contain an express 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), we have produced 220 units to date, representing 38% of the total units financed with Westside TAD funds. Two projects that received funding from the 2001 Westside TAD Bond Issue include an affordable housing component. Gateway Apartments at Northside Village has set aside 75% of units for people earning a maximum of 60% AMI. Twenty-six condominiums were made available to moderate income individuals at Centennial House through a partnership between the developer and ANDP.

Westside TAD Projected Construction Schedule



ATLANTIC STATION TAD

1st Quarter Bond Issue: Both the ADA Board and City Council have approved an additional bond issue for the Atlantic Station TAD. Additional bonds will be issued to reimburse the developer for already expended infrastructure costs in early 2006.

Grand Opening: Atlantic Station officially opened its doors to the public on October 20th. Novare Group and Wood Partners' 404-unit residential and 101-room hotel tower, TWELVE Atlantic Station, is completely sold-out. Residents have begun to move-in and Lobby, a new restaurant concept from two local restaurateurs, has opened in the building.

Under Construction: Element, ATL Lofts and Icon, Lane Company's newest residential developments, are currently under construction and will be ready for occupancy this year.

Affordable Housing: The Developer has set a goal to provide 20% of all residential units to families earning up to 80% AMI. To date, 32% of all housing units constructed, under construction and planned are affordable, including 241 condominiums.

PERRY-BOLTON TAD



Columbia Crest

Phases I, II and III of the multi-family development have been completed. These projects have added a total of 562 rental units, of which 132 units are set aside for seniors. The most recently opened project, Columbia Crest, also includes 5,500 square feet of street level retail space along the park. Phase IV, Columbia Grove, is currently in the planning stages and is slated to include an additional 138 apartments. Phase I of the single-family development is still underway. Twenty-two homes have been completed and sold with 21 more under construction.

Affordable Housing: In all, 56% of the multi-family units will be affordable. Thus far, 2 of the single-family homes have been set-aside for low-income homeowners. Upon completion, the project will include approximately 240 affordable single family homes, or 20% of all for-sale units.

Due to the extension of the timeline for the first bond issue we were able to open the application process to developers seeking funding for additional projects within the TAD. We have received three applications for funding from interested developers in the area, including two retail projects and one residential project. The internal due diligence process has begun and bond issuance is expected in mid-2006.

EASTSIDE TAD

The City's third ever TAD bond issue, the 2005 Eastside TAD bond series, closed on August 2nd. This package totaled approximately \$48 million and will provide funding for 8 projects. A \$3.5 million allocation will be used for parks and greenspace.

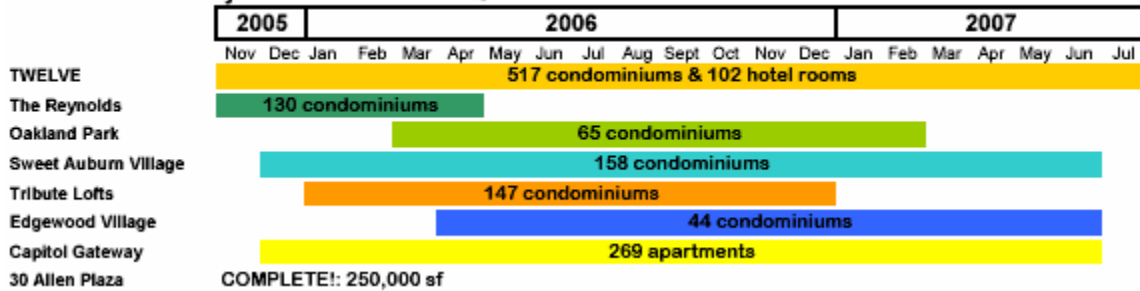
Completed: 30 Allen Plaza was awarded its base building certificate of occupancy in early October, nearly one month ahead of schedule. The building is currently 92% leased.

Under Construction: Four residential projects slated to receive TAD funds are currently under construction: The Reynolds, TWELVE Centennial Park, Renaissance Walk at

Sweet Auburn Village and Capitol Gateway. The three remaining projects are scheduled to break ground 1st Quarter 2006.

Affordable Housing: The Eastside TAD Affordable Housing Purchase Program was established to ensure all 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% of units will be affordable, nearly double the target. Training sessions have been held with several lending institutions and all necessary documentation has been drafted to ensure program compliance and success.

Eastside TAD Projected Construction Schedule



BELTLINE TAD

The BeltLine, a 22-mile loop of historic railroad that encircles downtown and midtown, is a unique opportunity to increase greenspace, improve transit, and connect 45 neighborhoods throughout Atlanta. Unlike its TAD predecessors, BeltLine bonds will be issued primarily to fund public infrastructure improvements and land acquisition. Rather than providing gap funding for developers, the BeltLine will fund parks, trails and transit which will serve as the incentive for development.

The BeltLine will potentially add 1,200 new acres of greenspace to the City, 40% more than what exists today. Additionally, 33 miles of trails will be created through the TAD. It is also estimated that 5,600 affordable housing units could be created throughout the life of the TAD (20-25 years) as well as 30,000 new jobs and 48,000 construction jobs.

It is anticipated that bonds will be issued this year to begin funding land acquisition and the development of parks and greenspace.

Pursuant to the City Council legislation creating the BeltLine TAD, as well as the consenting resolutions of APS and Fulton County, a separate report dedicated to the BeltLine will be distributed on a semi-annual basis beginning this spring and will include information on the administration and management of the BeltLine, bond issuance and projects receiving funding. Additionally, an annual financial report will also be produced.