

Growth, Demand and Opportunities for Partnership in Atlanta

Presented to: Commercial Property News

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What is the Atlanta Development Authority?

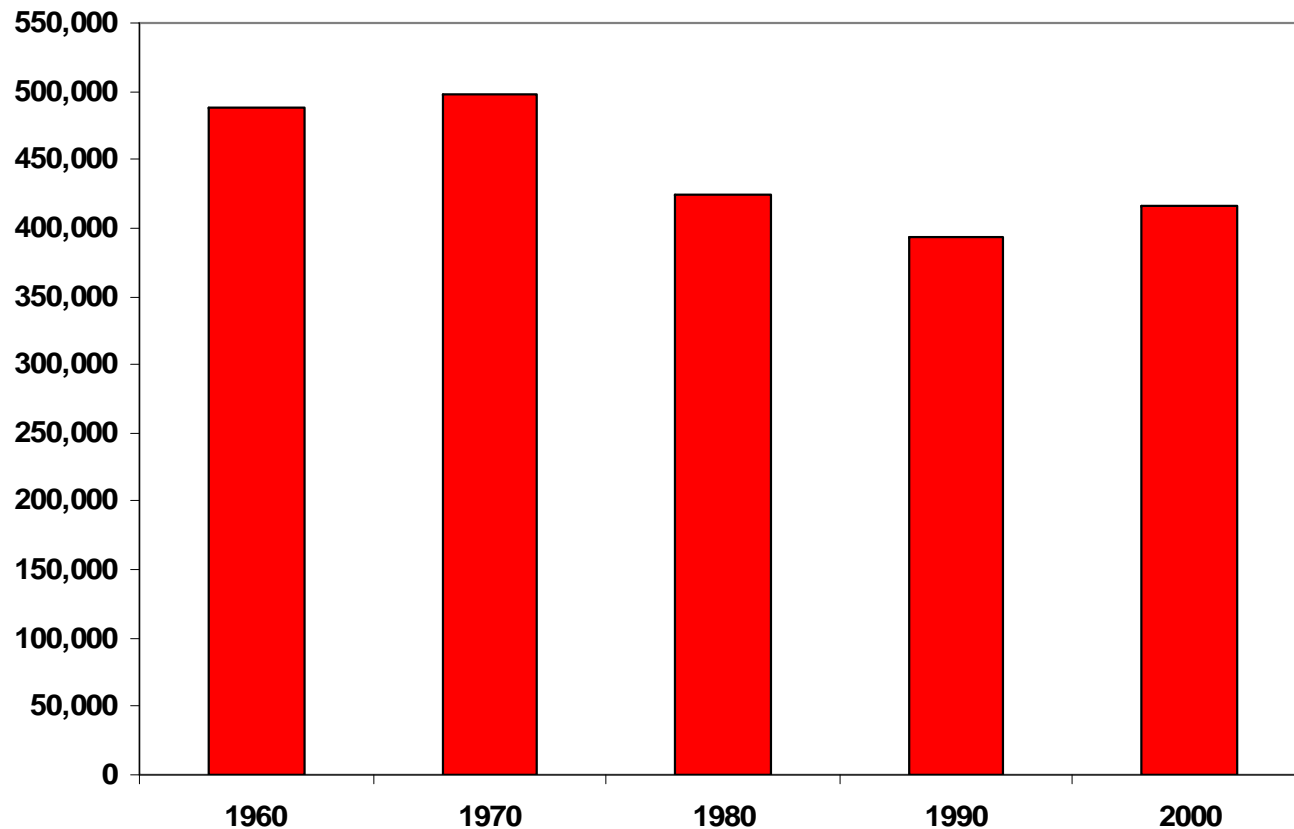
- ◆ The Atlanta Development Authority (ADA) is the official economic development agency for the City of Atlanta.
- ◆ ADA represents in-town Atlanta, a population of 500,000 and growing.
- ◆ A research-based economic development organization, focused on residential, business and investment growth in the city.
- ◆ Governed by a 9 member board of directors, chaired by the mayor of Atlanta.
- ◆ 50 Employees who team with over 55 economic development partner organizations.

Today's Agenda

- ◆ State of the City
 - Population Growth and Projections
 - Migration Trends
 - Tourism Indicators
 - Recent Investment Activity
- ◆ New Century Economic Development Plan
- ◆ Opportunities in Atlanta's Emerging Markets
 - Tax Allocation Districts
 - New Markets Tax Credits
- ◆ Other References

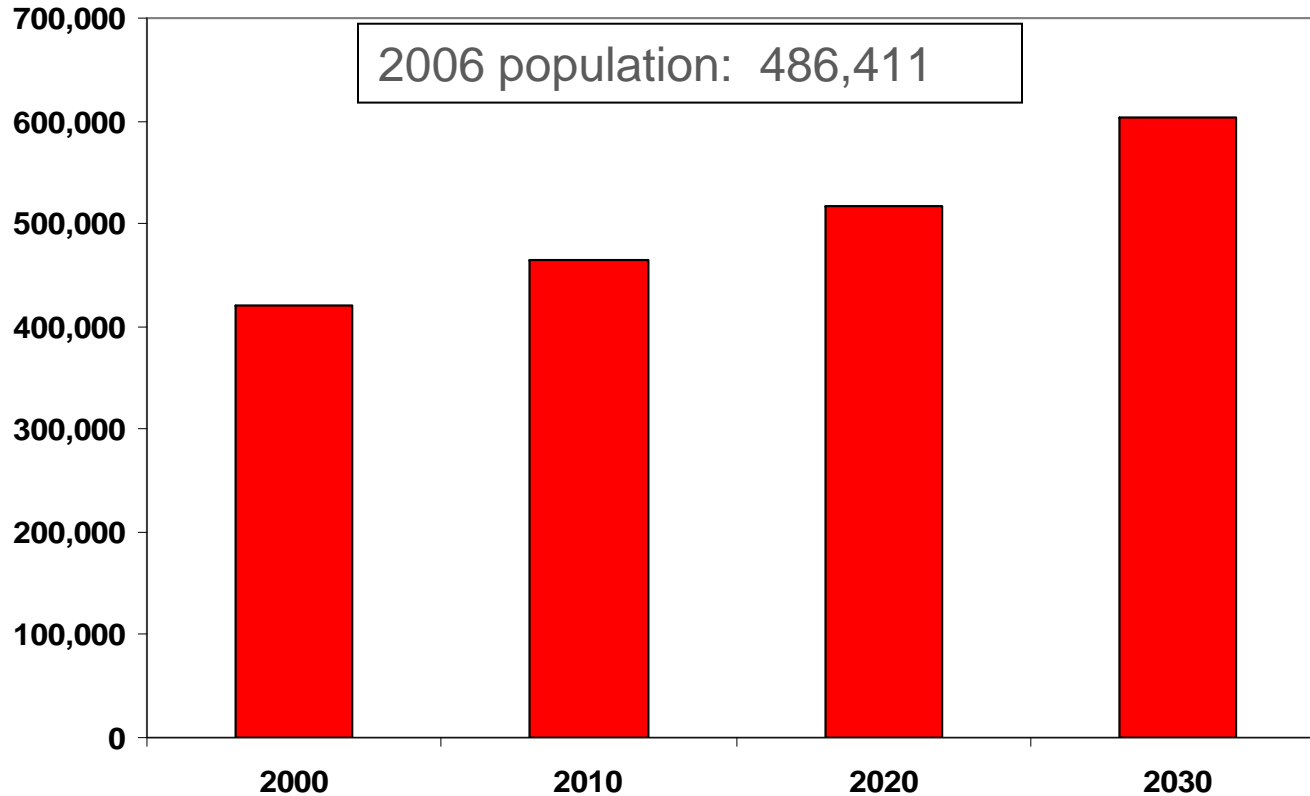
The population of the City of Atlanta declined between 1970 and 2000.

City of Atlanta Population, 1960-2000



Today the city is growing rapidly and adds about 14,000 people per year.

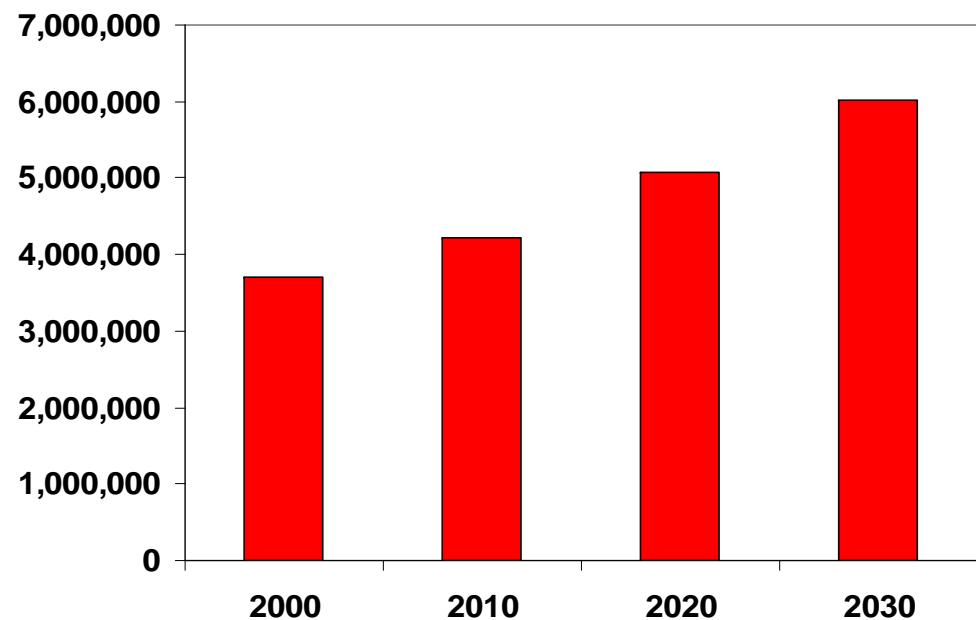
City of Atlanta Population Projection, 2000-2030



Metro Atlanta's Growth: *Projected*

- ◆ The metro region will grow by 2.3 million
- ◆ The metro region will account for 80% of the State's growth
 - State: 3 million
 - Metro region: 2.3 million
 - City of Atlanta: 163,000

Metro Atlanta Population Projection, 2000-2030



Growth of Atlanta



Atlanta, 1970



Atlanta, 2006

The City's tax base grew 62% from 2001 to 2007 (\$39 billion to \$63 billion).

Atlanta is benefiting from 4 current migration trends

Halfback Effect

NE retirees try Florida, find they don't like it, and then move half way back to places such as NC, Georgia and Tennessee

Foreign Immigration

Historically, immigrants have settled in coastal regions, but today more and more are settling in inland metro regions where jobs are plentiful and it is more affordable.

American Southern Migration

Young, highly educated and creative people are leaving California and the rust belt states and moving to places such as Atlanta with plentiful jobs, affordable housing, culture and diversity.

Urban Revival

Due to long commutes and desire for cultural amenities, people are leaving the suburbs and moving in town. These are generally higher income, empty nester households.

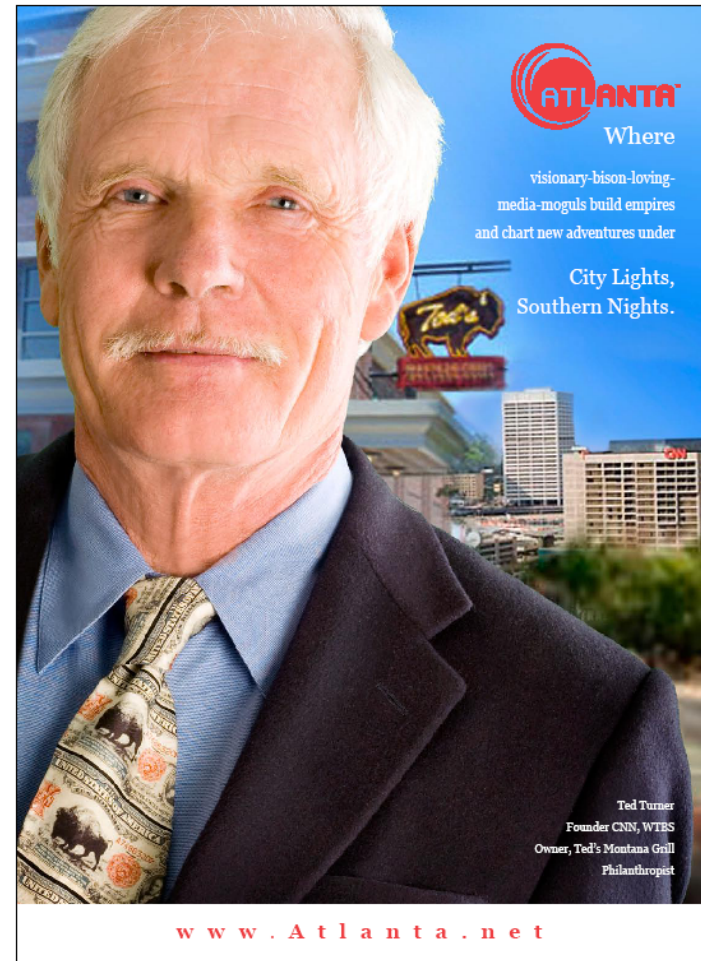
Atlanta's Recent Rankings

- ◆ #1 Best city for relocating singles, Worldwide ERC and Primary Relocation, Mobility magazine
- ◆ #2, Top state business climate, according to Site Selection magazine, November 2007
- ◆ 4th Best city for jobs, Forbes.com, January 2008
- ◆ #8 Among ten best golf cities in America, Gold Magazine, November 2007
- ◆ #10, Most affordable places to live, according to Forbes.com, November 2007



Convention & Tourism Indicators

- ◆ City is investing in branding to improve perception of Atlanta as a destination city
- ◆ 35 million visitors to metro Atlanta annually
- ◆ Tourist direct expenditures in 2006 increased 12% over 2005
- ◆ Strongest growth came from overnight leisure visitors. 10.7% increase in 2006 that pumped an additional \$792 million into Atlanta's economy
- ◆ BIO 2009 coming to Atlanta
- ◆ 2010: opening of Center for Civil & Human Rights



New Hotel Investment

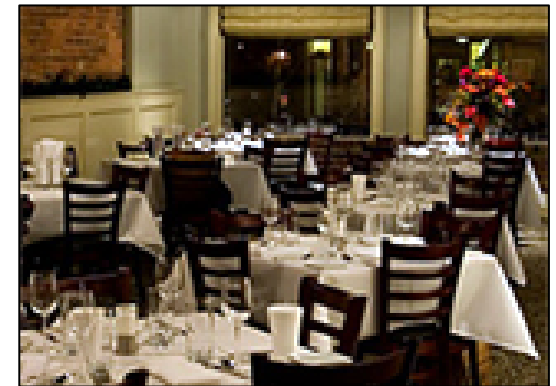
- ◆ March 2008: W Midtown
- ◆ March 2008: Hilton Garden Inn Downtown
- ◆ May 2008: The Mansion on Peachtree, Buckhead
- ◆ Summer 2008: Atlanta Marriott Marquis finishes \$140 million renovation project
- ◆ October 2008: W Buckhead
- ◆ December 2008: W Downtown Hotel & Residences
- ◆ December 2008: Hotel Indigo Downtown
- ◆ 2009: St. Regis Hotel in Buckhead
- ◆ 2009: Hilton Hotel in Buckhead
- ◆ 2010: Loews Hotel in the Midtown Mile
- ◆ 2010: Mandarin Oriental Hotel in Midtown
- ◆ 2010: 1-Hotel and residences in Buckhead
- ◆ 2010: Baccarat Hotel and residences in Buckhead
- ◆ 2010: Hard Rock Hotel in Downtown

New Restaurant Openings

- ◆ Thrive
- ◆ Fire of Brazil
- ◆ Jalapeño Charlie's
- ◆ French American Brasserie (FAB)
- ◆ Room
- ◆ Sabor
- ◆ Stats
- ◆ Luckie Food Lounge
- ◆ Maxim Prime
- ◆ Peasant Bistro
- ◆ Sear
- ◆ Café Circa
- ◆ AquaKnox
- ◆ Lola
- ◆ MF Buckhead
- ◆ Bricktops
- ◆ Marlow's
- ◆ Straits
- ◆ Dogwood
- ◆ Stella
- ◆ Spice Market
- ◆ BLT Steak
- ◆ Steel
- ◆ Amor
- ◆ Legal Seafoods



French American Brasserie



Peasant Bistro

Despite economic downturn, metro Atlanta is expected to add 30,000 – 40,000 net new jobs this year

- ◆ Recent company relocations and expansions:
 - Wipro Technologies of India, the #1 global IT service provider, which will establish its first North American development center in the City, creating 1,000 jobs
 - Quality Tech, which purchased an existing building in the English Avenue neighborhood that was converted to a one-million square foot data center with a value of \$80 million - now one of the largest data centers in the Southeast, creating 150 jobs
 - Cousins Properties, a national commercial developer that relocated its headquarters from Cobb County to downtown, bringing 175 jobs into the City
 - Invesco, a financial services firm that moved its global headquarters from London to Midtown and will create 150 jobs over the next several years

Wave of Foreign Investment in Atlanta

- ◆ *“Metro Atlanta’s growing ability to attract investment from abroad is a major factor in keeping its economy strong during this national economic downturn.”* - Wachovia managing director and senior economist Mark Vitner
- ◆ Approximately \$75 million in Chinese investment in the metro Atlanta area has been announced.
- ◆ Direct air routes to key global business centers such as Shanghai, the upcoming direct flight to London’s Heathrow Airport -- and the newly announced Brazilian Consulate -- are also strengthening metro Atlanta as a player in the global marketplace. Delta’s merger with Northwest will add a Tokyo hub.
- ◆ Atlanta has 2,000 international companies; and consulates, trade offices or bilateral chambers of commerce representing 65 countries

6 Billion + Capital Improvements Investment at Hartsfield-Jackson Atlanta Int'l Airport

- ◆ 5th Runway
- ◆ In March 2008, Atlanta City Council approved \$1.2 billion for construction of new international terminal, scheduled to open late 2010
- ◆ New consolidated rental car facility (CONRAC) and people mover
- ◆ West Terminal
- ◆ South Gate Complex
- ◆ South Cargo Complex



New Century Economic Development Plan 5-Year Goals

- ◆ Create 60,000 new jobs in the City of Atlanta
- ◆ Create 24,000 new metro jobs related to airport growth and expansion
- ◆ Grow property value in the City by \$26B, by adding households and leased commercial space
- ◆ Add 2,000 new workforce housing units each year by use of City incentives
- ◆ Decrease the City's crime rate by 50%
- ◆ Increase the high school completion rate of Atlanta Public School students by 25%
- ◆ Add 1,900 acres of dedicated parks and greenspace to the City

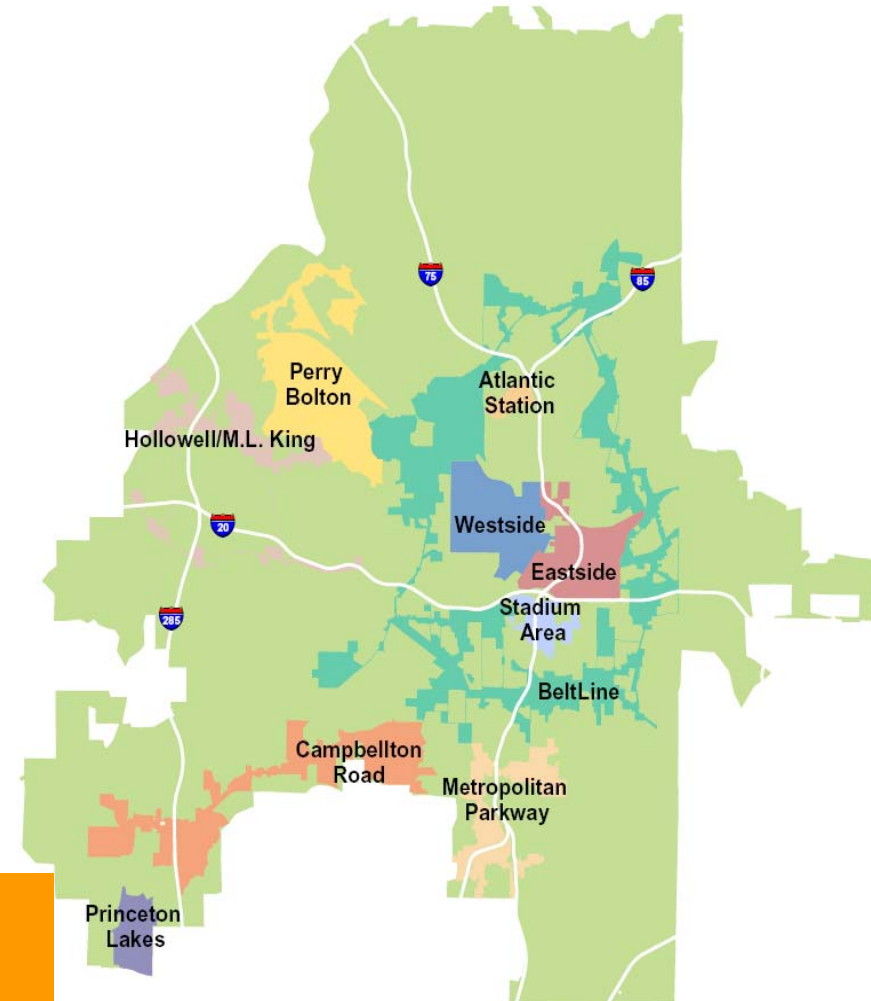
New Century Economic Development Plan 5-Year Goals: *Progress to Date*

EDP Goals	Base	Best in Class Goals	Results				% of Goal
			2005	2006	2007	Cumulative	
APS High School Graduation Rate	57%	72%	72%	69%	68%	68%	94%
Airport Jobs	105,000	add 24,000	13,340	available in 08	available in 08	13,340	56%
Property values	\$42B	add \$26B	\$3B	\$5B	\$8B	\$16B	62%
Crime per 100,000 residents	10,800	reduce to 5,600	8,965	8,188	available in 08	2,612	47%
Jobs Growth	406,000	add 60,000	5,058	9,735	9,965	24,758	41%
Workforce housing units created with City incentives	1,300/yr	add 10,000	1,632	804	1,085	3,521	35%
Acres of Parks & Greenspace	3,400	add 1,900	92	226	107	425	22%

City of Atlanta TADs have attracted over \$2.8 billion in new investment since 2001

- ◆ Westside (1992, expanded 1998)
- ◆ Atlantic Station (1999)
- ◆ Princeton Lakes (2002)
- ◆ Perry-Bolton (2002)
- ◆ Eastside (2003)
- ◆ BeltLine (2005)
- ◆ Metropolitan Parkway (2006)
- ◆ Stadium Neighborhoods (2006)
- ◆ Campbellton Road (2006)
- ◆ Hollowell/M.L. King (2006)

To date over \$400 million in bonds have leveraged \$2.8 billion in private investment.



Property values in Atlanta's TADs increased much faster than the rest of the City

- ◆ TADs are the city's #1 revitalization tool.
- ◆ Property values city wide, excluding TAD districts, increased 8% annually, based on a 3-year average.
- ◆ However, property values within the city's 6 operational TADs have grown 40.1% annually, based on the same period.
- ◆ Between 2005 – 2007, the city saw an increase of \$16 billion in property value.
- ◆ 25% of the growth occurred within six of the city's TAD districts
- ◆ FACT: Although TADs represent only 10% of the city's tax base, they generated 25% of the city's property value growth.

City of Atlanta TADs: *BeltLine TAD*

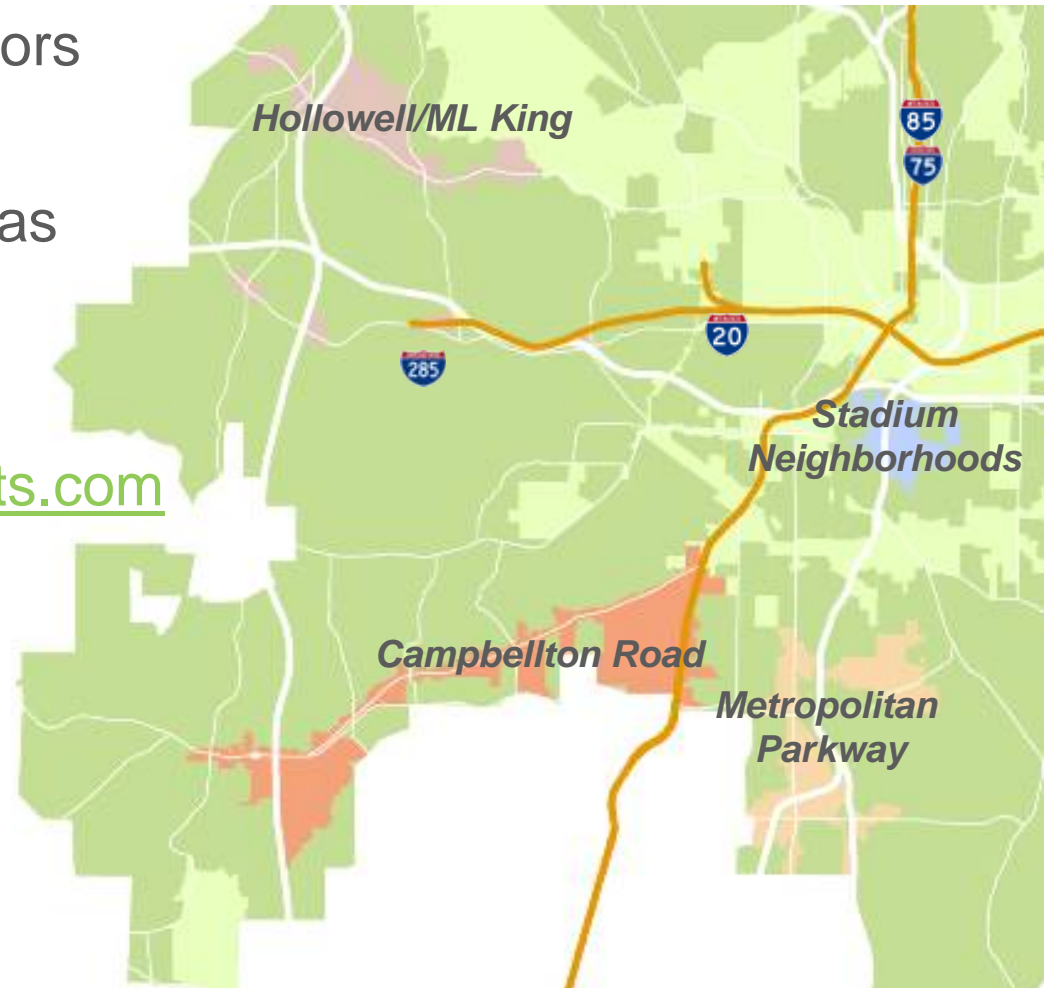
- ◆ 22 mile loop around City
- ◆ 6,500 acres: ~8% of total City land area
- ◆ TAD bonds will fund infrastructure and improvements for public benefit:
 - Parks: 1,300 new acres of parks and greenways
 - Paths: 33 miles of trails
 - Public transportation
- ◆ 156 acres acquired by City for BeltLine park use
- ◆ Over 60 projects currently underway in BeltLine



City of Atlanta TADs: 4 New TADs

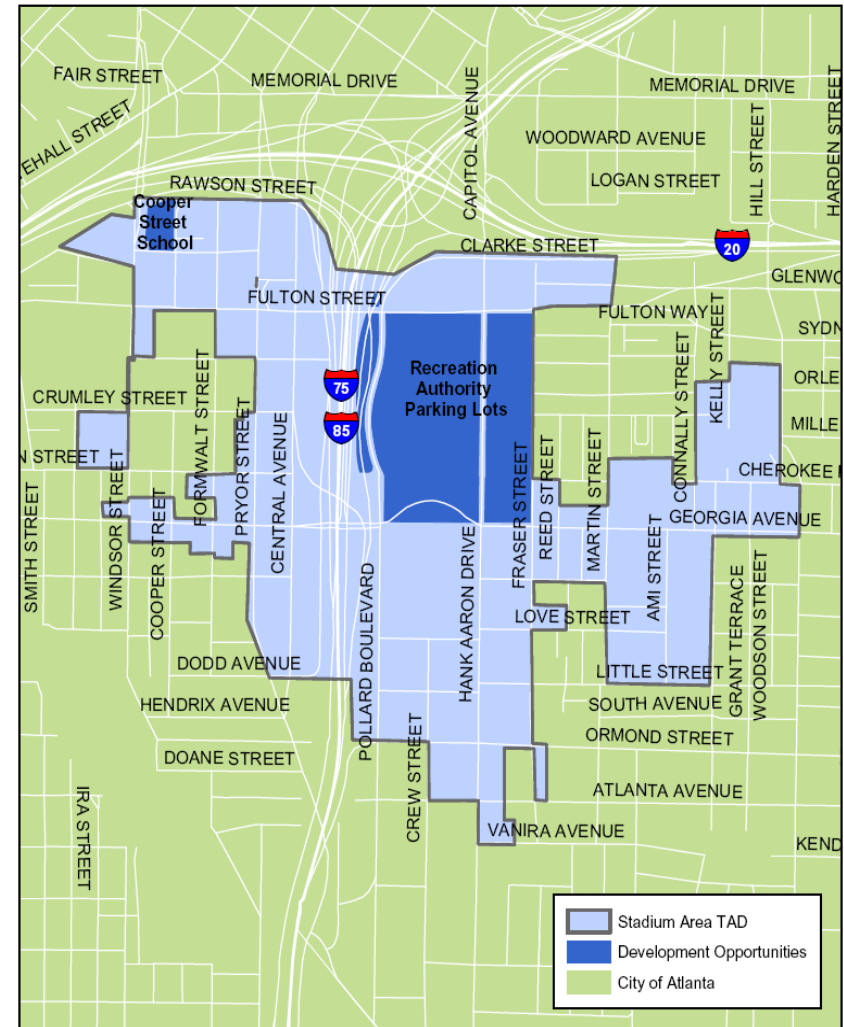
- ◆ Historic commercial corridors
- ◆ Approved 2006
- ◆ City of Atlanta Priority Areas

www.atlantaemergingmarkets.com

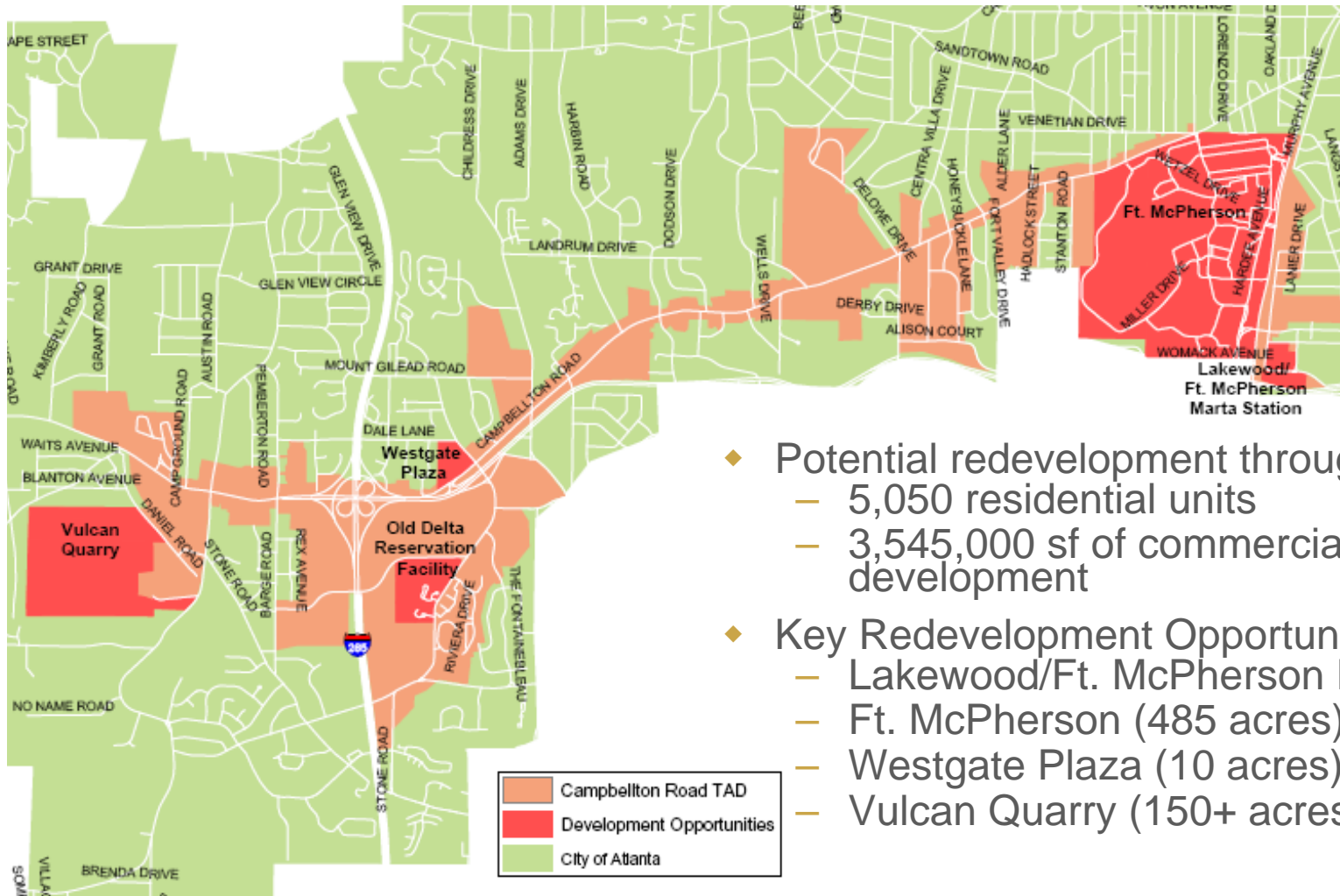


4 New TADs: *Stadium Area*

- ◆ Potential redevelopment through 2020:
 - 3,630 residential units
 - 860,000 sf of commercial development
 - Market value: \$1.2 billion
- ◆ Anticipated Bond Proceeds: \$158 million
- ◆ Key Redevelopment Opportunities:
 - Turner Field surface parking
 - 100 acres of private parking lots and vacant land



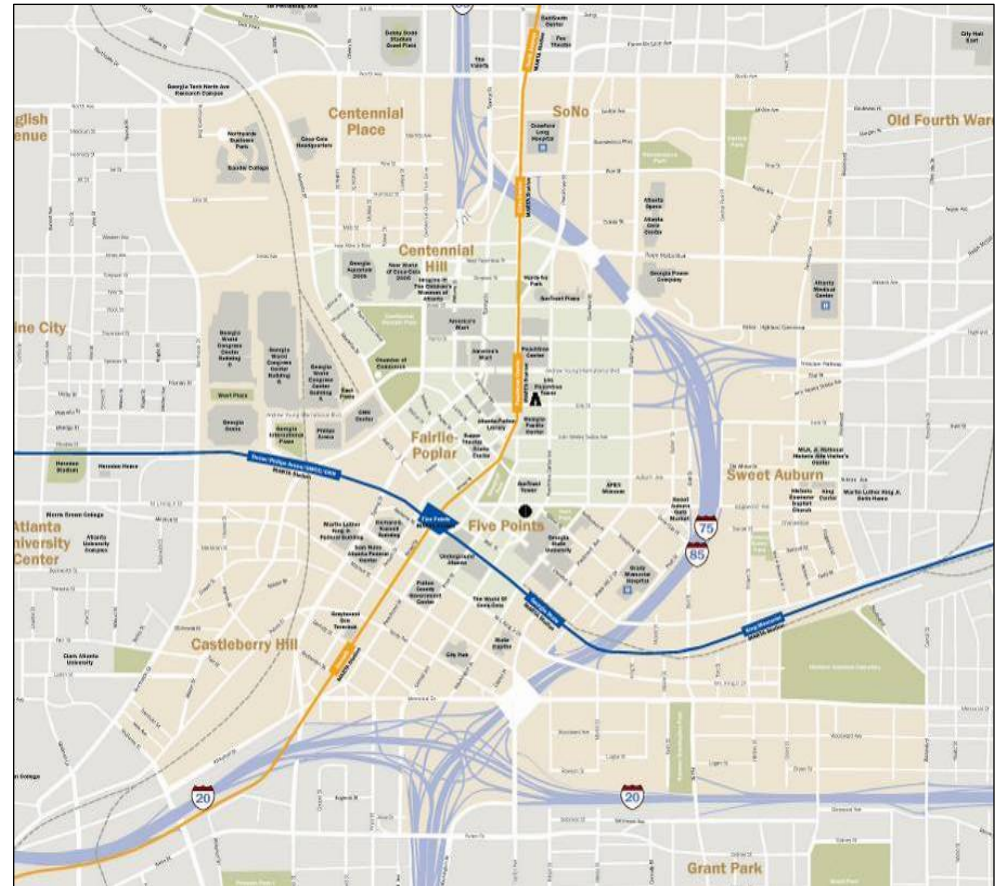
4 New TADs: *Campbellton Road*



- ◆ Potential redevelopment through 2020:
 - 5,050 residential units
 - 3,545,000 sf of commercial development
- ◆ Key Redevelopment Opportunities:
 - Lakewood/Ft. McPherson Marta Station
 - Ft. McPherson (485 acres)
 - Westgate Plaza (10 acres)
 - Vulcan Quarry (150+ acres)

New Market Tax Credits

- ◆ New Markets Tax Credit (NMTC) enacted as part of the Community Renewal Tax Relief Act of 2000
- ◆ Goal to bringing “Fortune 1000” capital to communities that have had inadequate access to capital
- ◆ Designed to help underserved low-income communities by offering investors an attractive tax benefit — 39% of an investment over seven years
- ◆ Compensates Investors for real or perceived risk of investing in Low-Income Communities
- ◆ ADA, in partnership with Central Atlanta Progress, awarded \$60 million allocation of NMTC in the 2007 funding round



Other References

- ◆ www.atlantaemergingmarkets.com
- ◆ TAD Redevelopment Plans
- ◆ Livable Communities Coalition: *Study and Analysis of TADs in Georgia*
- ◆ Council of Development Finance Agencies: *TIF Best Practices Reference Guide*
- ◆ Georgia Redevelopment Coalition:
 - Ken Bleakly: ken@blagroup.com
- ◆ CDFA Website: www.cdfa.net
- ◆ BeltLine Website: www.beltline.org
- ◆ Ft. McPherson: <http://www.mcphersonredevelopment.com/>

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