

Atlanta Development Authority 2009 Annual Report



A message from the 2010 Board Chair



Dear Atlanta Stakeholder,

I am honored to serve as Chair of the Board for the Atlanta Development Authority. With its mission of spurring growth and development in the city, a strong track record of accomplishment and a talented and passionate staff, ADA has my full support.

It is my goal to promote economic development legislation that can make a real impact for our citizens and help attract jobs.

We will continue to support tax allocation district financing as an economic development tool. Without dipping into the general fund or taking from existing tax revenues, TADs help fund public infrastructure projects like transportation, streets, sidewalks and street lights, which are vital to ensuring sustainable growth and attracting new development. TADs contribute to the establishment of sustainable and diverse mixed-income and mixed-use communities. Finally, TADs help attract private investment to underserved and blighted communities.

We will look for ways to recapitalize ADA's existing deal-closing fund, which is running on empty, as well as seek funding sources to supplement small business loans and other business development tools. Atlanta has been the leading city of the New South for decades, attracting young, smart, creative people because of the job opportunities and career growth our city offers. We must work with existing and prospective employers and provide the necessary support so we will continue to be a destination for America's most talented citizens.

Ensuring Atlanta has an appropriate mix of housing types and price points to support our growing population will continue to be our focus. Affordable housing initiatives help fund residential projects that allow our city's workers to live near job centers, thus reducing congestion and improving air quality. We will also create density, especially along the BeltLine, in order to support future transit.

I look forward to working with my fellow board members and the ADA staff.

Sincerely,

Kasim Reed
Mayor, City of Atlanta

A message from the 2009 Board Chair

Dear Atlanta Development Authority and Partners,

How fast time flies when you have partners. It's amazing to me as I reflect on the past eight years what we have accomplished working together. Under the leadership of the Atlanta Development Authority, we launched the city's first comprehensive economic development plan in 2004, bringing together 55 organizations with common goals to ensure the future economic success of Atlanta.

The Atlanta BeltLine is one of the most comprehensive economic development efforts ever undertaken in the city of Atlanta and the largest, most wide-ranging urban redevelopment currently underway in the United States. While no longer directly involved, I will proudly watch this project take shape over the next 20 years and look forward to the day I board the BeltLine train for the first time.



I wish to thank the board of directors at ADA for their commitment to serving. This hard-working board has approved significant projects ranging from affordable housing to hotels to office towers that have contributed to the economic health of our city including funding for development that added over \$2 billion in real estate investment. My fellow board members include:

Joseph Brown, Centerline Capital Group
Carlton Eccles, Retired businessman
Anna Foote, Coca-Cola Company Family Federal Credit Union
Jim Maddox, Atlanta City Council
Emma Darnell, Fulton County Commission
LaChandra Burkes, Atlanta Public School Board
Tracy Hankin, WebMD

As I've said before, one of my happiest days in office was the day we bought the King Papers, and I couldn't have done it without the help of the corporate leaders of the Atlanta Committee for Progress. In the eleventh hour, before the King Papers were to be auctioned off by Sothebys, several business leaders came together to raise over \$30 million to buy the papers and keep this historical asset in Atlanta. You stood behind the city and we stand behind you.

I now turn over the reins to Mayor Kasim Reed and urge each of you to offer your support and keep this great city that we love moving in the right direction.

Warmest regards,

Shirley Franklin
Former Mayor, City of Atlanta

A message from the President

In times of economic turmoil, partnerships are of utmost importance. We are thankful for the incredible partnerships we have built with our economic development partners at City Hall and in Atlanta, the commitment of employers and business leaders who are active members of the Atlanta Committee for Progress, and the educational institutions that call Atlanta home. The creativity and commitment of our business and academic leaders set Atlanta apart.

At the top of everyone's list is job growth. We know that small businesses create the majority of new jobs. Every day, we work with employers to provide capital in the form of loans, connect business owners to opportunities and information, and identify locations for their existing or future businesses, whether a storefront on a commercial corridor or space in an industrial or research park.



We are thankful that the General Assembly and the Governor affirmed in May 2009 the statewide 2008 vote re-enacting the Georgia Redevelopment Powers Law. This action supports the statewide use of our city's most effective economic redevelopment tool, tax allocation districts. The investor response to the 2009 BeltLine TAD bonds was very positive, demonstrating the investment community's confidence in the development of the Atlanta Beltline, the city's TAD program and ADA's record as its redevelopment agent.

In 2009, the Governor created the McPherson Implementation Local Redevelopment Authority. This organization is responsible for the redevelopment of Fort McPherson, the 488-acre Army base located in Southwest Atlanta. Working together with the Governor's Office, the Board of Regents and the Georgia Research Alliance, the plans for McPherson are anchored by a bio-research center. The vision includes a campus where public health, research institutions and private firms can collaborate, surrounded by residential communities, retail amenities and 100 acres of green space.

We worked with Atlanta City Council to designate the entire city as a Recovery Zone in order to leverage federal Recovery Zone facility bonds. On the last day of 2009, we closed a \$25 million single-family housing bond issue guaranteed by stimulus funds, enabling us to provide low-interest first mortgages to 180 homebuyers in 2010.

For the last five years, ADA has been the project manager for the city's comprehensive economic development plan. In the plan, Mayor Franklin charged ADA and our partners with best-in-class goals. We have focused on these goals and measured the results each year since. We thank Mayor Shirley Franklin for her eight years of leadership and focus on economic development.

We look forward to working with Mayor Kasim Reed and his administration. With his leadership, ADA will refresh the economic development plan, building on lessons learned over the last five years, responding to the changes in our city and our region and embracing new ideas and best practices.

This month I will complete my tenure at ADA. It has been a rewarding and impactful six years, working with our economic development teams in Atlanta. The leader of our Housing Finance department, Ernestine Garey, becomes ADA's interim president on April 1, 2010. Ernestine's leadership and expertise ensure a seamless transition and she has my complete support.

To all of you who have supported the city and ADA in 2009, we are grateful. Together, we can make 2010 a remarkable year.

Pessy McCoenick

New Century Economic Development Plan Dashboard

The New Century Economic Development Plan continues to be our framework and report card for economic development in the city. The EDP is a five-year plan based on three economic development strategies:

- Build the foundation for sustainable job growth
- Prepare for the influx of residents and development and ensure that Atlanta's infrastructure will support the city's growth
- Make the city of Atlanta more livable, providing safe neighborhoods with excellent public schools, parks, commercial corridors and improved quality of life.

In determining the goals for 2009, Mayor Franklin and her team identified goals that, if achieved, would make Atlanta a best-in-class city. These goals are aggressive and not easily achieved. The results at the end of 2009 (year five) are as follows:

EDP Goals	Base *	Best in Class Goals (2005 - 2009)	Results					5 Year Total
			2005	2006	2007	2008	2009	
Overall Jobs Growth ¹	406,000	add 60,000	5,715	7,512	-3,227	-24,384	Available Fall 2010	TBD
Airport Related Jobs ²	105,000	add 24,000	13,340	NA	NA	NA	Available 2010	TBD
Private Sector Jobs ³	146,795	n/a	n/a	14,164	11,854	17,133	4,128 estimate	47,279
Public High School Graduation Rate ⁴	57%	72%	72%	71%	68%	72%	69%	69%
Property values ⁵	\$46B	add \$26B	\$5.5B	\$5B	\$7.6B	Not yet certified	Not yet certified	TBD
Crime per 100,000 residents ⁶	10,800	reduce to 5,600	7,929	7,916	8,543	8,619	7,592	7,592
Workforce housing units created with City incentives ⁷	1,300/yr	add 10,000	1,632	804	1,085	1,009	1,013	5,543
Acres of Parks & Greenspace ⁸	4,144	add 1,900	100	226	112	92	27	557

Data Sources and Assumptions:

1. US Census Quarterly Workforce Indicator report for City of Atlanta, generated 11/9/09
2. HJAIA Economic Impact Report 2005
3. Private sector job growth data source: COA Business license database as of 2/2/2010
4. Atlanta Public Schools, Office of Communications, 12/2009
5. Georgia Department of Revenue, Fulton and Dekalb tax digests
6. City of Atlanta COBRA report as of 2/2/10, formula: 40,622 crimes in 2009 with a population of 535,000
7. City of Atlanta Affordable Housing Database, included production of units using city incentives. Affordable Housing stat: According to Census 2008 ACS there are 112,504 affordable housing units in the COA out of 215,040 total housing units
8. Includes protected parks and greenspace acres owned by DPRCA, DWM and ABI. Administrative adjustments were made to figures in previous years

*Base years – Overall jobs: 2004; Airport jobs: 2003; Private sector jobs: 2005; Property value: 2003; Workforce housing: 2004; Crime: 2003; High school graduation rate: 2002; Parks: 2004.

Business Recruitment and Expansion

In 2009, we received 92 business inquiries for relocation assistance, up from 61 inquiries in 2008. ADA works closely with the State of Georgia, the Metro Atlanta Chamber, Georgia Power and other economic development partners to attract businesses to Atlanta. Our international mission trips to Dubai, China and India, as well as strong participation in the international CoreNet and BIO shows, resulted in 60 percent of our project pipeline coming from international leads.

Atlanta celebrated three business grand openings in 2009. All are international firms with a large presence overseas that are entering the U.S. market through Atlanta: Wipro, a major software and outsourcing firm from India; Chinamex, a business incubator from China; and Kemira, a water purification R&D firm from Finland.

During 2009, the Metro Atlanta Chamber reported 21 new location or expansion announcements representing 1,700 new jobs in the city of Atlanta. Deals where ADA played an integral role include the following:

Iverson Genetics

This biotech business from Seattle opened a research facility at Morehouse School of Medicine, creating 13 new jobs and investing \$650,000.

Chinamex

This Chinese business provides a landing area for multiple Chinese businesses in the United States. This project was a two-year effort led by the State Department of Economic Development and the Metro Atlanta Chamber. ADA visited Chinamex operations in the Netherlands and China. The company also met with Mayor Franklin in Atlanta. The company leased 30,000 square feet of office space at Atlantic Station.

St. Joseph's Translational Research Institute

ADA applied for a \$500,000 life science facility fund loan from the state to assist with the location of a new laboratory facility at Technology Enterprise Park. SJTRI has opened a 30,000-square-foot lab and invested \$18 million in this facility, where it employs 50 staffers and will eventually accommodate 100.

AiHeart Medical Technologies

ADA helped to attract this start-up medical device business from Boston. ADA met with the company during a recruitment trip to Boston and linked this company with potential vendors in the Atlanta area. AiHeart, which has developed a catheter for angioplasty, is located in the Centergy building in Midtown and has two employees.

Metaboli

ADA worked with this French video-gaming company after their acquisition of Atlanta-based GameTap. ADA assisted in their relocation to 817 West Peachtree Street, where they leased 3,500 square feet and will employ up to 50 people.

College Football Hall of Fame

In a competitive situation with other cities, the Chick-Fil-A Bowl was successful in winning this relocation to Centennial Olympic Park. Partnering with the State of Georgia, Central Atlanta Progress and others to win this \$70 million investment, ADA offered a \$1 million grant and up to \$10 million in New Market Tax Credits and other potential financings. Estimates predict that the Hall of Fame will attract 300,000 visitors each year and create 40 permanent jobs. Construction is scheduled to begin this spring with a grand opening in 2012.

Wamar International

This manufacturer of secure vehicles purchased a 100,000-square-foot building on Atlanta Industrial Parkway to retrofit SUVs with bulletproof glass and other materials for use by the military in Iraq and Afghanistan. The company is consolidating five locations and will employ 250 people.

To build our relationships with existing employers in Atlanta, ADA partnered with Georgia Power to discuss business issues and provide assistance. In 2009, we met with Equifax, Turner Broadcasting System, Unilever, IBM, Kraft, Country Home Bakers, Leggett & Platt, Empire Distributors, Celtaxsys, Stevens Graphics and Sekisui SPR.

ADA also sponsored a Georgia Tech economic development studio to research and make recommendations for a sustainable industrial policy for the city. Building upon the success of this past year, we plan to continue our partnership with the Small Business Administration, SCORE and Atlanta Workforce Development Agency through the Emerging 200 program. In 2009, ten inner-city CEOs received free executive education through this program, enabling them to develop strategic plans for their businesses.

Financing Organic Job Growth

In a down economy, our focus on small business has been more important than ever. Of the more than 23,000 business establishments in the city, 96 percent employ fewer than 50 workers. From 2005 to 2009, there was a 116 percent increase in one- and two-person firms: 10,441 today versus 4,833 in 2005.

ADA and the city have a 25-year tradition of a citywide small business lending program. In 2009, the city asked ADA to assist them in making the December 31, 2009 deadline for two programs previously managed by the ACoRA. This fall, ADA took responsibility for underwriting and servicing the Empowerment Zone Loan Fund and the MLK Facade Improvement Program. In 2009, there were 22 small business transactions where ADA disbursed \$2.9 million in loans and leveraged more than \$4 million in total investment along the following corridors:

Auburn Avenue

DJP Properties; Merritts Masterpieces; Sweet Auburn Bread Company; ABEM LLC; Hagos & Tseggai LLC; One 4 All Kitchen LLC

Decatur Street

The Pencil Factory (retail)

Edgewood Avenue

Dynamic Dish; The Epsten Group, Inc.

Irwin Street

Big Boy Development

Marietta Street

Max's Coal Oven Pizzeria

Martin Luther King Jr. Drive

Baker Tax Service, Inc.; Gates Enterprises
DBA Busy Bee Cafe; Johnny's Pizza Bistro;
TOB Properties

Nelson Street

Honey Child Beauty Group

Piedmont Road

Atlanta's Resource for E & A

Pryor Street

Lynch Law Group



Max's Coal Oven Pizzeria on Marietta Street

Financing Homeownership

Our Home Atlanta program has provided downpayment assistance to more than 400 homebuyers since 2007, with 50 percent of the closings occurring in 2009. We expended more than \$2.4 million in Housing Opportunity Bond second-mortgage loans, leveraging more than \$20.6 million in first mortgages. In 2009, we launched the \$8.8 million BeltLine Affordable Housing Trust Fund program. So far, that has led to 19 new homeowners along the BeltLine, with total downpayment assistance of \$527,000.

At the end of 2009, we were closing eight to 10 loans a week as prospective buyers scrambled to take advantage of the deflated real estate market and the \$8,000 federal tax credit for homebuyers, the deadline for which was ultimately extended. Buyers are employed as teachers, healthcare workers, government



workers and retail, hotel or restaurant managers. The average family income among program participants has been \$46,500, and the average purchase price of homes that have closed has been \$161,200. Homes are being purchased all over the city, ranging from foreclosed properties to craftsman style bungalows to new condominiums. The most popular neighborhoods among these homebuyers include Greenbriar/Campbellton Road, around Lakewood Amphitheater, Downtown/Old Fourth Ward, South Atlanta/Amal Heights and the historic neighborhoods around Turner Field.

Financing Multifamily Housing

In December, we moved forward with a stimulus program that allows ADA to issue first mortgages to homebuyers at a fixed interest rate of 5 percent. We closed on \$25 million in bonds and must originate up to 180 loans by October 2010. To accomplish this, we are working closely with our approved lenders. We are excited about this opportunity because the fixed-rate mortgages are attractive to homebuyers and this first mortgage product complements our homebuyer assistance programs.

Since 2002, ADA has assisted new development amounting to \$1 billion in residential projects, creating 8,600 housing units in the city of which 70 percent are affordable for working-class families. We use financial tools and incentives such as tax-exempt bonds, federal neighborhood stabilization dollars, and city-financed housing and homeless opportunity bonds. In 2009, multifamily and permanent supportive housing projects included:

- \$2.6 million in grant funding to three projects (Safety Net, City of Refuge and Seven Courts) to create 165 new units of permanent supportive housing.
- Closing of Quest Village loan from the Vine City/English Avenue Trust Fund to substantially rehabilitate 12 units of supportive housing on Rock Street.
- A \$900,000 loan provided as part of the \$12.7 million in financing for Adamsville Green, a 90-unit affordable independent senior apartment project to be built in the Martin Luther King, Jr. corridor.

Redevelopment Incentives: Tax Allocation Districts and New Market Tax Credits

For the past 10 years, property values in areas designated as tax allocation districts (TADs) in the city of Atlanta have grown faster than in the city as a whole. The city's 10 TADs have an annual growth rate of 30 percent. Atlanta's TAD program has spurred the creation of approximately \$2.3 billion in assessed property value growth over the past decade. This incremental new growth would not have occurred without the intentional commitment by the city, in partnership with Fulton County and Atlanta Public Schools, in forming these TADs.

Since 2001, the city of Atlanta has issued \$550 million in TAD bonds, which leveraged \$2.6 billion in private capital. 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. ADA serves as the redevelopment agent for the city's 10 TADs and manages approximately \$550 million in outstanding TAD bond assets.

Working closely with the city and Atlanta BeltLine, Inc., the 2009 BeltLine bonds, totaling \$78 million, were enthusiastically met by the investor community and successfully remarketed.

In the Westside TAD, we worked closely with the city to pay off the remaining amount owed for a collection of Martin Luther King, Jr.'s papers, purchased in 2006. We also completed the third competitive process for the Westside TAD Neighborhood Fund, allocating \$3.3 million to economic development projects in the Vine City and English Avenue neighborhood.



Improvements to Vine City Park at the intersection of Magnolia and Graves streets in Vine City

In the four commercial TADs, we formed advisory groups and hired staff to launch these new TADs in early 2010. These TADs include the Stadium and surrounding neighborhoods (pictured below), Campbellton Road (including Fort McPherson), Metropolitan Parkway and Hollowell/M.L. King.



ADA has partnered with Central Atlanta Progress to win allocations of New Markets Tax Credits from the U.S. Treasury for the past two years. These credits are used to stimulate commercial development and redevelopment in cities. In 2009, this partnership invested \$30 million of New Markets Tax Credits in Phase I of a mixed-use redevelopment project on the former 122-acre Ford factory site adjacent to Hartsfield-Jackson Atlanta International Airport.

Parks and Greenspace Acquisitions

ADA assisted the city in acquiring greenspace to expand the Atlanta BeltLine, including Enota, Four Corners and Historic Fourth Ward parks. One of the two acquisitions for the Southwest BeltLine Connector Trail will add more than 4.5 acres to John A. White Park. Other city park and trail expansions included:

- Ben Hill Park
- Capitol - Oakland Gateway
- Chosewood Park
- Ben Hill Park
- Brown's Mill Golf Course
- Morningside Nature Preserve
- One segment of the Princeton Lakes Trail to the Camp Creek Nature Preserve

The expansion of the Morningside Nature Preserve added a trailhead with parking and a trail connection from Lenox Road to the preserve. The Brown's Mill Golf Club expansion increased the park area by three acres and allowed for the construction of a trailhead with parking for the Southtowne Trail.



Historic Fourth Ward Park, under construction

Marketing the City of Atlanta

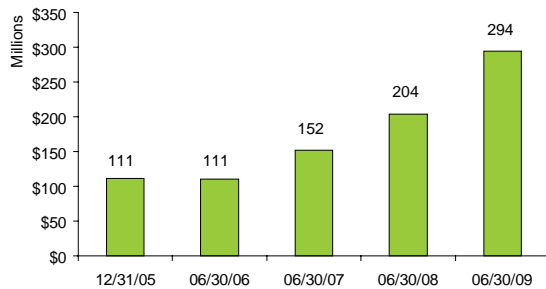
Marketing the city and its incentive tools is a driver for economic development and job growth. In 2009, ADA was successful in generating 225 positive news stories seen or heard by a total of 55 million people. We participated in more than 100 external events, hosted several internal events and participated on business development mission trips to India, China, Dubai and Boston. Using a variety of communications channels such as Twitter, Lens on Atlanta, electronic newsletters and direct mail, ADA connects in a way that is customized for different audiences. With an email database containing more than 41,000 addresses, we strive to find leads for our operating departments and promote intown Atlanta as a great place to live and do business.



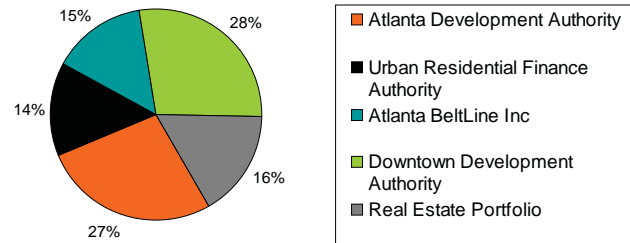
Financial Information (FYE June 30, 2009)

ADA's finances are well positioned to withstand the current challenging economic environment. The below graphs show consolidated figures for ADA and all its subsidiaries and operating units.

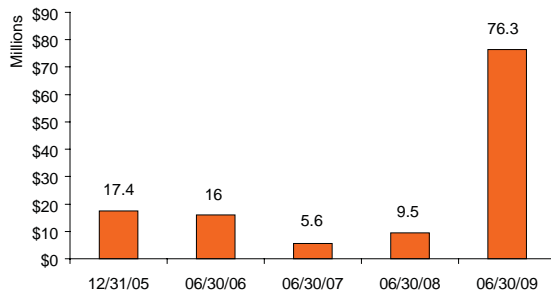
Total Asset Trend



Asset Mix by Components
Total Assets \$294 million as of
June 30, 2009

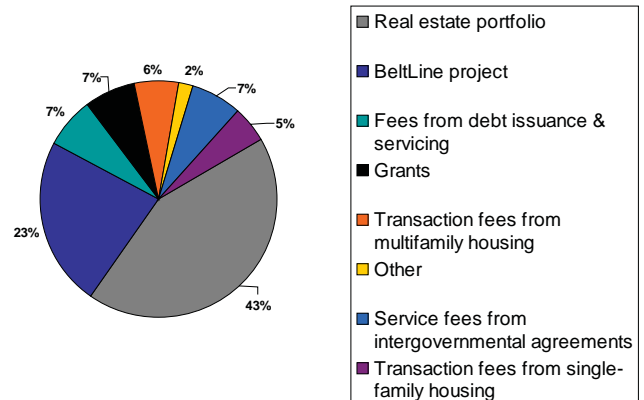


Net Asset Trend¹

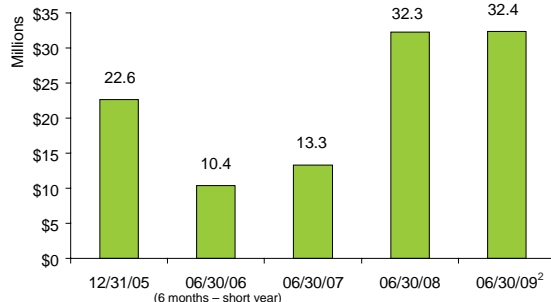


¹Net assets = total assets - total liabilities

Total Revenue by Activity
Revenue of \$32.3 million for the year ending
June 30, 2008

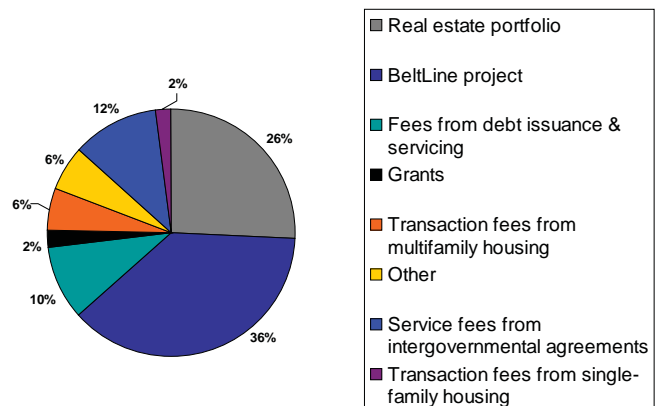


Revenue Trend



²Excludes contribution of BeltLine real estate

Total Revenue by Activity
Revenue of \$32.4 million for the year ending
June 30, 2009²



Mission Statement

The Atlanta Development Authority is the economic development agency for the city of Atlanta. ADA represents intown Atlanta, which has a population of 530,000 and growing. A research-based economic development organization, ADA focuses on residential, business and investment growth in the city. ADA is governed by a nine-member board of directors, which is chaired by the mayor of Atlanta. ADA has 55 employees and partners regularly with more than 70 economic development partners.

Economic Development Partners

Annie E. Casey Foundation
Arthur M. Blank Family Foundation
Atlanta BeltLine, Inc.
Atlanta City Council
Atlanta Committee for International Relations
Atlanta Committee for Progress
Atlanta Convention and Visitors Bureau
Atlanta Education Fund
Atlanta-Fulton County Recreation Authority
Atlanta Housing Authority
Atlanta Neighborhood Development Partnership
Atlanta Police Foundation
Atlanta Public Schools
Atlanta Regional Commission
Atlanta Regional Council of Higher Education
Atlanta Sports Council
Atlanta Workforce Development Agency
BeltLine Partnership
Buckhead Coalition
Buckhead Community Improvement District
Central Atlanta Progress
Chick-fil-A Bowl, Inc.
CIFAL Atlanta
City of Atlanta Department of Finance
City of Atlanta Department of Fire Rescue
City of Atlanta Department of Law
City of Atlanta Department of Parks, Recreation & Cultural Affairs
City of Atlanta Department of Planning & Community Development
City of Atlanta Department of Public Works
City of Atlanta Department of Watershed Management
City of Atlanta Office of Sustainability
City of Atlanta Office of the Mayor
City of Atlanta Police Department
Clark Atlanta University

Council for Quality Growth
DeKalb County
Emory Healthcare
Emory University
Enterprise Community Partners, Inc.
Fulton County
Fulton County Atlanta Land Bank Authority
Georgia BIO
Georgia Department of Community Affairs
Georgia Department of Economic Development
Georgia Electronic Design Center
Georgia Institute of Technology
Georgia Power
Georgia Research Alliance
Georgia State University
Georgia World Congress Center
Hartsfield-Jackson Atlanta International Airport
Innovation Crescent Regional Partnership
Livable Communities Coalition
MARTA
McPherson Implementation Local Redevelopment Authority
Metro Atlanta Arts and Culture Coalition
Metro Atlanta Chamber
Midtown Alliance
Morehouse School of Medicine
PATH Foundation
SCAD Atlanta
Southface Energy Institute
Sustainable Atlanta
Technology Association of Georgia
Trust for Public Land
Urban Land Institute Atlanta
U.S. Department of Housing and Urban Development
U.S. Economic Development Administration
U.S. Environmental Protection Agency, Region 4
U.S. Small Business Administration
Woodruff Arts Center

For more information about the Atlanta Development Authority, visit us online at www.atlantada.com.

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