



ANNUAL REPORT 2011

ATLANTA DEVELOPMENT AUTHORITY
URBAN RESIDENTIAL FINANCE AUTHORITY
DOWNTOWN DEVELOPMENT AUTHORITY



MAKING
ATLANTA
ONE OF AMERICA'S
BEST PLACES
TO LIVE
AND DO BUSINESS

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Kasim Reed
Mayor, City of Atlanta

MESSAGE FROM THE MAYOR AND INVEST ATLANTA CHAIRMAN

The global economic recession has severely impacted our country and the City of Atlanta, fundamentally changing the landscape for job creation and global competitiveness. Over the last two years, my Administration has been focused on moving Atlanta's economy forward again.

I am proud to say that we have come a long way. Atlanta has led the charge in developing public-private partnerships, creating alliances between agencies within the city, and working together to elevate small businesses, communities, and key strategic industries. This citywide effort to speak with one voice has paid off. The City of Atlanta has had two years of balanced budgets—without increasing property taxes. Our cash reserves have grown from \$7.4 million in January 2010 to an audited \$94.4 million in less than 24 months. Plus, we resolved the city's looming pension crisis, thus addressing a \$1.5 billion unfunded liability, saving the city more than \$270 million over the next 10 years.

In addition to getting our fiscal house in order, we've been hard at work to make the City of Atlanta the nation's best place to live, work, and run a business. The truth is, no other city brings together the mix of business and entrepreneurial opportunities, cutting-edge technology, innovative ideas and affordable lifestyle like Atlanta. We lead and rank in the Top 5 in everything from entrepreneurship to technology to friendliness:

- | | |
|---|---|
| #1 - Minority Business Entrepreneurship | #2 - Most Socially Networked |
| #1 - LEED Certified Buildings | #3 - Fortune 500 Headquarter Locations |
| #1 - Busiest Passenger Airport in the World | #3 - Cities Where Digital Media Has Clustered |
| #2 - Most Wired City | #3 - Business Friendly City |
| #2 - Most Entrepreneurial Activity | #5 - North American City of the Future |

But we have much more to do. My goal is to let the world know that Atlanta is a global, multi-dimensional, 21st century city of the future—a metropolitan leader with world-class assets in key industries such as advanced manufacturing, technology, health and life sciences, supply chain and logistics, film and entertainment, and green technology. We're not only committed to being one of the best places to live, offering well-rounded, balanced and high-quality of life opportunities to our residents, but also to being a worldwide leading city to base successful multi-national headquarters, as well as nurture and grow upstarts.

With those objectives in mind, 2011 was a year of transition for the Atlanta Development Authority. One of our earliest shifts came in May, when I appointed Brian P. McGowan as President and CEO. As a former U.S. Deputy Assistant Secretary of Commerce, Brian served as the Chief Operating Officer of the U.S. Economic Development Administration. In addition, he also served as California's Deputy Secretary of Economic Development and Commerce where he oversaw the State's economic development programs. Brian's extensive experience in working at all levels of government within the economic development sphere allowed him to bring with him a new vision for the City of Atlanta and its economic and commercial development initiatives.

One of the first bold decisions by Brian's team was to officially change the public name of the Atlanta Development Authority to Invest Atlanta. The new name and logo reflects the agency's new vision and direction, especially a renewed focus and commitment to fostering and attracting economic development in the city.

In 2012, Invest Atlanta's goal is to strategically implement its new direction and leverage our assets to grow our successes across the economic and social spectrum. As the Chairman of Invest Atlanta, I am committed to maintaining and protecting the City of Atlanta's competitive advantage as a global gateway. Attracting large global businesses, supporting entrepreneurs and start-ups, creating jobs, diversifying our key industries, increasing foreign direct investment and creating the most diverse and talented workforce in the nation are all economic imperatives. I am confident Invest Atlanta will create a blueprint for success.

LETTER FROM INVEST ATLANTA PRESIDENT AND CEO

2011 was a year of change for Invest Atlanta as we re-evaluated and refocused our vision and purpose to create jobs and ensure that Atlanta successfully competes in the global economy. We changed our name and logo, but we are also making changes internally. The name change from Atlanta Development Authority to Invest Atlanta represents our new mission and vision for the City of Atlanta. We are investing in Atlanta and inviting the world to invest here also.

Atlanta has a new energy, and we are truly excited about sharing that message with the world. While Invest Atlanta will continue to carry out its traditional responsibilities, we are moving forward with a new and expanded mission and the modernization of our city's approach to economic development. This includes a 21st century view of local jobs for our residents, global competitiveness and foreign direct investment, while leveraging the world-class assets that make Atlanta an ideal place to live and do business.

Even as we conducted our internal assessment throughout the year, business continued to move forward. We faced many challenges but also enjoyed many successes. These successes allowed us to be directly responsible for:

- Creating 1,800 direct jobs and 3,700 construction jobs
- Preserving and returning to market over 1,200 residential units
- Incentivizing projects totaling \$400 million in public and private investment
- Facilitating the lease, sale, or use of 4 million square feet of commercial or retail space

We're proud of the work completed in 2011 and we're ready to create even bigger and broader opportunities for our city and its residents. To help accomplish this mission, we took the year to inventory our city's key strategic assets. With the world's busiest passenger airport; the convergence of key supply chain assets including rail, sea, ground, air and technology; a skilled workforce; and a growing base for key technology industries such as medical and green technology, we know Atlanta is uniquely positioned to expand its international leadership role and grow its base of companies headquartered in the city. With our eye on the global playing field, Invest Atlanta will take a more focused approach to international trade and foreign direct investment in the coming year. Our first key initiative in this arena for 2012 is a trade mission to China March 23-31, led by Mayor Reed.

Most importantly, Invest Atlanta has a new mission for success: success for Atlanta's residents, success for the large and small companies that make Atlanta home, and success for those organizations that choose to do business with our local companies. With that end in mind, we've brought on new members to the senior team including:

- William C. Cronin, Vice President of Economic Development
- Douglas T. Ray, Chief Financial Officer
- Dr. Eloisa Klementich, Managing Director of Business Development

In addition, we've also brought on a new communications team, Finn Partners and Wilbert News Strategies, to promote our city's economic development assets and successes, nationally and internationally.

We're excited for our future, our city, and our residents, and we look forward to a fruitful 2012.



Brian P. McGowan
President and CEO

ABOUT INVEST ATLANTA

Vision

To make Atlanta the most economically dynamic and competitive city in the world.

Core Values

- We treat our constituents, partners, vendors and each other with respect
- We recognize the contributions of our employees
- We are responsible for each other’s success
- We empower our employees to be creative and think big
- We have an uncompromising commitment to honesty and integrity
- We create a culture of excellence in everything we do
- We are good stewards of financial resources
- We set the standard for leadership in economic development
- We deliver a world-class level of customer service to everyone we encounter
- We positively impact the lives of the citizens of Atlanta

Mission

Invest Atlanta’s mission is to passionately serve the City of Atlanta and its people by strengthening Atlanta’s economy and enhancing its global competitiveness. Through progressive leadership and strategic thinking, we attract and sustain investment in our community in order to create increased opportunity and prosperity for our citizens.

Building upon the city’s rich legacy, we leverage our unique resources to drive economic growth and job creation. We capitalize on our globally recognized thought leaders who have multi-disciplinary subject matter expertise.

We serve as the point of connectivity for our partners and constituents locally, regionally, nationally, and globally. We build and lead coalitions through our expansive network of businesses, educational institutions, and civic organizations.

WE ARE INVEST ATLANTA.



EXECUTIVE TEAM



Honorable Kasim Reed
Mayor of the City of Atlanta and
Chairman of Invest Atlanta



Brian P. McGowan
President and CEO



Ernestine W. Garey
Executive Vice President and COO



William C. Cronin
Vice President
Economic Development



Veronica C. Burroughs
General Counsel



Douglas T. Ray
Chief Financial Officer



Dr. Eloisa Klementich
Managing Director
Business Development



Dawn Luke
Managing Director
Housing Finance



Cheryl Strickland
Managing Director
Redevelopment

REDEVELOPMENT

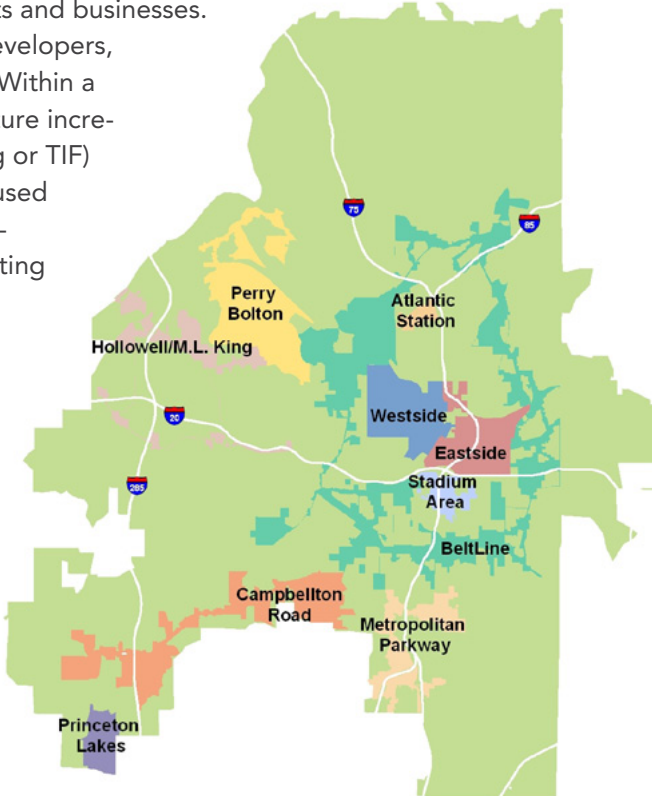
One of Invest Atlanta’s primary goals is to revitalize and redevelop neighborhoods in the City of Atlanta, in order to provide a better quality of life for our residents. To fulfill this objective, Invest Atlanta has at its disposal a number of important tools that allow for the creation of new jobs, facilitate renovation or rebuilding of structures in key areas, and provide low-cost financing options. These tools are Tax Allocation Districts and the New Markets Tax Credits Program.

Tax Allocation Districts (TADs)

The City of Atlanta is creating a vision for the future of its residents and businesses. TADs are one of the many tools and opportunities available for developers, investors, and property owners to join and help shape this vision. Within a TAD, redevelopment costs are financed through the pledge of future incremental increases in property tax revenues (tax increment financing or TIF) generated by the resulting new development. TAD funds can be used for construction of new buildings; public infrastructure or improvements; renovation, rehabilitation, demolition, or expansion of existing buildings; acquisition of capital equipment; and remediation, clearing, and grading of land.

The City of Atlanta has 10 established TADs:

- Atlantic Station
- BeltLine
- Campbellton Road
- Eastside
- Hollowell/ML King
- Metropolitan Parkway
- Perry Bolton
- Princeton Lakes
- Stadium Area
- Westside



Openings & Groundbreakings

Invest Atlanta had the privilege of celebrating multiple openings and groundbreakings of note during 2011, including the openings of projects resulting from the inaugural transactions for the commercial corridor TAD program that launched in 2010.



EUE Screen Gems Studios, a worldwide production company headquartered in New York, completed the renovation and expansion of their 211,500 square foot film, television, and digital production studios in Atlanta with a \$7.5 million investment partially funded by the Metropolitan Parkway TAD. The renovated and expanded facility opened its new space in April.



In July, **Everest College/Corinthian College** opened its Atlanta West campus, a 45,000-foot structure at 2841 Greenbriar Parkway, after a \$5 million renovation funded, in part, by the Campbellton Road TAD program. The campus opened to serve 1,300 students and employ 95 faculty and staff members, while offering job training in dental and medical assisting, medical insurance billing and coding, medical administrative assisting, and pharmacy technician vocations.

A groundbreaking ceremony was held in December to celebrate the long-awaited commencement of construction on **Fire Station 28**. The 12,763 square foot facility, funded with \$4.5 million in Perry Bolton TAD funds, will replace the original fire station built in 1953. Fire Station 28 is designed to accommodate a team of 10 firefighters and will feature the Judge Arthur Kaplan Zone 2 Atlanta Police Department Mini Precinct and the Riverside Community Room. The tentative completion date is December 2012.



Bonds

In 2011, the city and Invest Atlanta received positive news regarding the City of Atlanta Tax Allocation (Princeton Lakes Project) Series 2006 Bonds when Standard & Poor’s granted it an investment-grade, long-term credit rating of BBB-/Stable. The upgrade was based on the level of completion and the closed-lien structure of the bonds. The investment-grade rating reinforces the overall strength of the TAD program. In addition, the city successfully tendered \$3.5 million in Series 2006 bonds, accelerating repayment of the bonds and dissolution of the district.

In August, the Atlanta City Council adopted Ordinance 11-O-1027 which allowed Invest Atlanta to refinance \$130 million in City of Atlanta Tax Allocation Variable Rate Bonds (Westside Project) through a direct purchase transaction with Wells Fargo Bank. The transaction resulted in a reduction of interest rate risk and the elimination of letter of credit and associated costs.

In addition, Westside TAD funding of \$500,000 was approved for the \$1.9 million Villas at the Dome, Phase II townhome project in Vine City.

Other TAD Activity

Invest Atlanta approved the reallocation of nearly \$1 million in Eastside TAD bond proceeds for the Memorial Drive Streetscape Improvement Project. The Atlanta Regional Commission awarded the Atlanta Housing Authority approximately \$2 million in federal transportation funds through the Livable Center Initiative. Eastside TAD funds provided the required local match. The project will result in a pedestrian-friendly streetscape along Memorial Drive. Construction is underway and expected to be completed during the 2nd quarter of 2012.

Strategic Planning for Success

To ensure the continuing momentum of our successes in 2011, a Request for Proposals was issued during the year for a comprehensive, strategic implementation plan for the Westside TAD Neighborhood Area. The goal of the project is to determine a viable redevelopment strategy that will result in additional job creation and quality of life enhancement. Further, HR&A Advisors was contracted to complete a TAD program evaluation and strategic plan within each of the 10 tax allocation districts to identify opportunities for best use.



New Markets Tax Credits

The New Markets Tax Credit Program is a federal program designed to spur capital investment and job creation in underserved markets. Locally, the program was employed by Imagine Downtown, Inc., a community development partnership between Invest Atlanta and Central Atlanta Progress (CAP), created to promote the responsible growth and development of a vibrant and attractive Downtown Atlanta, while supporting economic development in distressed neighborhoods.

In August 2011, Imagine Downtown, Inc. changed its name to Atlanta Emerging Markets, Inc. (AEMI) to more accurately reflect its mission to attract investments that benefit all of Atlanta.

To date, AEMI has deployed \$67 million to fund New Markets Tax Credits community investments resulting in:

- Job Creation
- Higher Quality Jobs
- Jobs Accessible to Low-Income Persons or Residents
- Goods and Services to Low-Income Communities
- Flexible Lease Rates for Locally-Owned Businesses
- Environmentally Sustainable Outcomes

Also in August, AEMI applied for an allocation of \$83.25 million in New Markets Tax Credits. The tax credits would be used to attract private investment to fund redevelopment projects that create jobs in distressed neighborhoods. The 2011 application round was the most competitive ever with 314 organizations requesting \$26 billion in credits from a total of \$3.5 billion in available funds. AEMI did not receive additional credits in 2011 but will reapply at the next available opportunity.

SMALL BUSINESS AND ENTREPRENEURSHIP

In 2011, the focus on small businesses in Atlanta was highlighted as the city was ranked #2 as a Top 10 Metro for Entrepreneurial Activity by the Kauffman Index of Entrepreneurial Activity, and #1 by Forbes as a Top 10 Metro for Minority Entrepreneurs.

In July 2011, Invest Atlanta partnered with Mayor Kasim Reed and the White House Business Council to host the Atlanta Urban Entrepreneurship Forum. The Forum provided local entrepreneurs and small business owners with a full day of informative roundtables, inspirational speakers, and a resource center with local agency representation. Tyler Perry gave the keynote address and Mayor Kasim Reed ended the day with an armchair conversation outlining his vision for the city. Invest Atlanta promoted this event to our constituents and clients and staffed the event in conjunction with the Mayor’s Office.

The national spotlight on Invest Atlanta was not without reason as we made an internal commitment to support start-up activity and nourish the city’s entrepreneurial ecosystem. During the year, the small business development team processed 51 small business loan applications. From these, seven loans were awarded to Atlanta-based organizations, supporting over 40 jobs.

Awarded Loans:

Business	Location	Total Investment	Loan Amount
Eco Express Car Wash	Edgewood	\$2,000,000	\$50,000
Life’s Essential Health Foods	Cascade	\$50,000	\$50,000
Clinton Raines dba State Farm	East Atlanta	\$460,000	\$50,000
Star Enterprises	Sylvan/Dill	\$18,921	\$18,921
Star Enterprises	Sylvan/Dill	\$20,025	\$20,025
Star Enterprises	Sylvan/Dill	\$20,381	\$20,381
Peachtree Baker, LLC dba White Oak Kitchen & Cocktails	Downtown	\$1,275,000	\$125,000
TOTAL		\$3,844,327	\$334,327

Small Business Community Outreach

In addition to awarding loans, the small business development team continued its outreach to the community. During the year, the team provided 261 consultations and held 11 small business information sessions designed to directly interact with the city’s entrepreneurs and new small businesses, while providing them valuable information about our small business program offerings including everything from loans to counseling to incentives. Over 150 people attended the sessions at the Invest Atlanta offices.

As part of the small business outreach, Invest Atlanta joined forces with 100 Urban Entrepreneurs. Our first joint initiative involved co-sponsoring and hosting a 100 Urban Entrepreneurs event, welcoming over 70 small businesses and providing information on how to prepare a business plan, structure a business, and source capital. To expand upon the success of our first joint program, Invest Atlanta once again joined 100 Urban Entrepreneurs for a Sustainable Entrepreneurship and Economic Development event at Clark Atlanta University.

In recognition of Invest Atlanta’s small business initiatives, the City of Atlanta awarded Invest Atlanta \$200,000 in additional program funds to be disbursed to promising and qualified small businesses through the Business Improvement Loan Fund Program.



SUSTAINABILITY

In 2011, Atlanta achieved multiple distinctions regarding its green initiatives, moving yet closer to its goal of becoming one of the nation’s Top 10 Green Cities. These included ranking:

- #1 in the Siemens Green Cities Index for LEED Certified Buildings
- #6 in the Top 10 Cities for Most Energy Star Certified Buildings
- #7 in the Top 10 Metro Areas with the Most Clean Economy Jobs

Invest Atlanta is committed to continuing, expanding, and improving these achievements by facilitating the financing and development of parks and greenspaces, brownfield remediation, public and/or private projects that enhance sustainability, and energy-efficient developments.

Parks and Greenspace

As part of Invest Atlanta’s goal to promote neighborhood revitalization and achieve a higher quality of life for its residents and visitors, multiple projects toward the expansion and improvement of the city’s parks and greenspace were completed during the year. These involved transactions benefitting six parks and three nature preserves, including:

- Completing four Atlanta BeltLine Park acquisitions valued at \$626,000 to expand Enota Park, Boulevard Crossing Park, Lang Carson Park, and D.H. Stanton Park.
- Closing four City of Atlanta park transactions to acquire over 42 acres of land valued at \$1.26 million to expand Morningside Nature Preserve, North Camp Creek Parkway Nature Preserve, Jennie Drake Park, and the Swann Preserve.
- Employing Eastside TAD funds to finalize the demolition of the former T. Marzetti Company production facility to create 1.2 acres of visible open space along the Memorial Drive Greenway Corridor Assemblage. Price Demolition, the demolition contractor, recycled 99% of the building materials, supporting the city’s goal of becoming one of the nation’s top 10 green cities.

Brownfield Remediation

Improving the look, safety, and quality of our open space is critical to a better quality of life and the future of our city. To move closer to that goal, Invest Atlanta closed on two loans totaling \$665,000 provided by the EPA Brownfield Revolving Loan Fund. The funds were used to finance the environmental cleanup of portions of the Atlanta BeltLine Eastside Trail.



The new Historic Fourth Ward Park, built as part of the Atlanta BeltLine, remediated more than 15 acres of contaminated former industrial land.



BUSINESS DEVELOPMENT

2011 was an exciting year for Invest Atlanta and its business and economic development initiatives. The Business Development division hired Dr. Eloisa Klementich as Managing Director to oversee the division’s activities.

During the year, the Invest Atlanta business development team closed 17 transactions that created 1,836 direct jobs, supporting the use of over 4 million square feet of commercial and retail space, and facilitating **over \$350 million in total investment**.

2011 Initiatives

Over the summer, the White House Business Council chose Atlanta as one of its locations for a Business Roundtable. Invest Atlanta was asked to co-host this event, which provided an opportunity to discuss the state of the economy, small business needs, and President Obama’s economic policy.

In November 2011, Invest Atlanta co-sponsored the CoreNet Global Summit at the Georgia World Congress Center, along with economic development organizations from the Metro Atlanta area. CoreNet Global is the world’s leading association for corporate real estate (CRE) and workplace professionals, service providers, and economic developers. Invest Atlanta facilitated network opportunities with attendees from major real estate firms and corporations.

The team also worked with a consultant to develop a new narrative for the city, managed the production of a video introducing the narrative and key messaging, issued a request for proposals for an economic development strategic plan for the City of Atlanta, and finalized an agreement with Clear Channel to promote Invest Atlanta through advertising at Hartsfield-Jackson Atlanta International Airport.

These initiatives allowed Invest Atlanta in 2011 to surpass their stated goals of 10 project wins and 871 jobs.

Business Development Transactions 2011

New Wins	Industry	New Jobs	Square Footage	Investment
Porsche	Headquarters	250	150,000	\$70 million
Windham Brannon	Accounting Firm	75	37,000	\$3 million
Warrick Dunn Family Foundation	Non-Profit	5	1,500	
Music 1	Digital Media	5	1,500	
Siteminis	Software	65	12,500	
Legoland	Tourism	100	30,000	
Air Watch	Computer/Technology	200	50,000	\$3 million
Proximus	Software	182	8,000	
Nanowave Technologies	Manufacturing R&D	10	1,000	
Williams Lea	Procurement	35	10,000	\$2 million
Kingfisher	Consulting	20	8,500	\$1 million
Podponics	Urban Agriculture	40		
McKinsey	Modeling/Training Facility	5	5,000	
Georgia Department of Labor	Government	500	360,000	\$40 million
NP 10th (Hilton Garden Inn and Homewood Suites by Hilton)	Tourism	100	240,000	
Novare Skyhouse	Apartments	50	2,000,000	\$55 million
City Hall East/Ponce City Market	Mixed-Use Development	194	1,100,000	\$180 million
17 WINS FOR 2011		1,836	4,015,000	\$354 million



International Business and Export Trade Promotion

With Invest Atlanta’s new focus of positioning Atlanta in a global 21st century economy, the area of international business and export trade promotion has gained new prominence. With that objective in mind, the economic development team moved forward with several key initiatives designed to begin promoting Atlanta’s world-class assets to the global business community.

One of the division’s most important strategic objectives includes creating global bridges and relationships not only for the organization itself, but also for the City of Atlanta, and its resident businesses. Partnering with the Mayor’s Office and the Metro Atlanta Chamber of Commerce, Invest Atlanta began planning a China Trade Mission focused on creating export trade opportunities for Atlanta-based businesses and promoting foreign direct investment in Atlanta by Chinese companies.

In addition to organizing the China Mission, Invest Atlanta focused on reaching out to other organizations whose mission includes promoting international trade. To that end, the Invest Atlanta economic development team participated in the U.S./Saudi Business Opportunity Summit and met with representatives of the Georgia Small Business Development Center’s International Trade Office. Discussions with the International Trade Office included exploring opportunities to join forces to support Atlanta-based firms in developing their export trade business. Invest Atlanta also executed a partnership agreement with the U.S. Export-Import Bank.

Invest Atlanta’s president was also appointed to the boards of the Georgia Foreign Trade Zone Association and the International Economic Development Council.

Opportunity Zones

In 2011, Invest Atlanta submitted an application to the Georgia Department of Community Affairs (GDCA) to designate 33 Opportunity Zones within the City of Atlanta. Opportunity Zones are an important state redevelopment tool that provides local companies with increased incentives and benefits for job creation, allowing companies within the zone’s boundaries to receive \$3,500 per job created, per year for up to a total of \$17,500 for every net new job created.

During the year, the GDCA approved five Opportunity Zones including the 448-acre Fort McPherson Sub-Area, Southside Industrial Park, Ponce City Market (formerly City Hall East), the Downtown Opportunity Zone, and the Midtown Opportunity Zone. Twenty-eight other zones submitted in the application are still awaiting approval.

HOUSING AND NEIGHBORHOOD REVITALIZATION

During 2011, the Housing Finance division (Urban Residential Finance Authority) successfully leveraged its portfolio of tools and achieved its goals of facilitating catalytic projects to advance the city’s economic recovery. Housing Finance preserved and/or returned to market over 1,200 residential units and funded \$24 million in new transactions.

Housing Incentives

Despite the absence of a robust capital market, Housing Finance was able to deploy needed capital through an array of sophisticated financing mechanisms. With financial commitments and investments in excess of \$89 million from several programs administered by Invest Atlanta, Housing Finance was able to create and sustain affordable housing options for many City of Atlanta residents. Some of our premier incentive programs include:

- Tax Exempt Bonds
- Housing Opportunity Bond Financing
- BeltLine Affordable Housing Trust Fund
- HOME Multifamily Rental
- Homeless Opportunity Social Service Funds

Housing Finance Transactions for 2011

Project	Funding Source	Funding Amount	Total Project Costs	Project Type	Total Units or Beds	Affordable Units or Beds
TRANSACTIONS/LOANS CLOSED						
Single Family Mortgage Loans	New Issue Bond Program	\$21,150,422	\$21,150,422	Mortgage Financing	164	164
Lofts at Reynoldstown Crossing	BeltLine Trust Fund	\$1,920,005	\$5,117,505	Condominium	30	28
University Community Development Corporation	Housing Opportunity Bond Program	\$163,063	\$343,357	Single Family	2	2
Villas at the Dome II	Vine City Trust Fund	\$876,275	\$1,976,275	Multi-Family Rental	55	22
City of Refuge - Eden Village II	Homelessness Opportunity Fund	\$100,000	\$621,505	Assessment Center	100	100
TOTALS		\$24,209,765	\$29,209,064		351	316
RESIDENTIAL UNITS PRESERVED						
Aventine at Lindberg	Multifamily Tax Exempt Bonds	\$16,500,000	\$16,810,000	Multi-Family Rental	296	60
The Terraces & Highbury Court	Multifamily Tax Exempt Bonds	\$9,650,000	\$15,151,201	Multi-Family Rental	172	146
Alta Coventry	Multifamily Tax Exempt Bonds	\$28,000,000	\$35,964,374	Multi-Family Rental	322	65
Fulton Cotton Mill	Multifamily Tax Exempt Bonds	\$9,990,000	\$17,346,806	Multi-Family Rental	207	83
Villas of Hope	Homelessness Opportunity Fund	\$1,520,000	\$1,600,000	Multi-Family Rental	36	36
TOTALS		\$65,660,000	\$86,872,381		1,033	390

2011 Accomplishments

At the onset of 2011, Housing Finance made a commitment to strategically preserve Atlanta’s existing housing stock and be a catalytic part of the city’s effort to transform and stabilize its many diverse neighborhoods.

Our efforts resulted in:

Homeownership opportunities for 164 working families in spite of the mortgage industry being stagnant. Housing Finance invested over \$18 million in 1st mortgage financing offered through the New Issue Bond Program (NIBP) coupled with more than \$3 million in down payment assistance from the Housing Opportunity Fund. Continuing to promote and offer these two programs provided a stellar opportunity for Invest Atlanta to enhance the buying power for all who took part in this program.



Preservation of 1,033 units of existing housing stock which was secured by more than \$65 million in bond financing.

Resurgence of 87 vacant units of housing back to the market by providing over \$2.1 million in financial incentives, leveraging \$7.4 million in additional funding. Lofts at Reynoldstown Crossing (LaRC), one of three preservation projects closed in 2011, presented true collaboration between Invest Atlanta, Atlanta BeltLine, Inc. (ABI), Urban Realty, Bank of America and the Atlanta Land Trust Collaborative as ABI converted a stalled market rate condominium project into affordable housing for 28 households earning between \$38,000 and \$68,000. With more than \$1.9M of the \$5.1M development cost provided from the BeltLine Affordable Housing Trust Fund, LaRC was the first project funded from the Trust Fund and provided Atlanta’s first Community Land Trust (CLT) units in over 25 years. The three CLT units, which will be purchased by two Atlanta police officers and an Atlanta Public School teacher, will provide permanent affordability.

A \$100,000 grant to City of Refuge to assist in providing social services to 100 homeless women.



Receipt of five applications totaling \$18.25 million in funding requests. These private housing developers were all new to Invest Atlanta and embodied the true essence of public-private partnerships.

2011 Project Highlights

The Opportunity Downpayment Assistance Program (ODAP) has been instrumental in making the dream of homeownership a reality for Atlanta’s workforce and continues to stand the test of time. During 2011, Invest Atlanta closed 164 loans with an average purchase price of \$132,000 and average income of \$46,000. Since inception in 2007, Invest Atlanta has provided more than 750 down payment assistance loans using the ODAP.

On Saturday December 10, 2011, a drawing was held for 28 of the 30 units at the LaRC, ranging in sales price from \$137,900 to \$157,900. It was an overwhelming success as all of the available units were placed under contract and a wait list was created for those who were not awarded a unit in the drawing. On average, borrowers will receive nearly \$68,000 in trust fund assistance, making mortgage payments less than \$1,000 per month.

Invest Atlanta partnered with the city to fund its first community housing development organization, the University Community Development Corporation, to redevelop two homes in the Historic West End neighborhood for families at or below 100% of area median income. The funds were derived from the Housing Opportunity Bond Fund. Invest Atlanta invested a total of \$163,000.



FINANCIAL STATEMENTS

Invest Atlanta is a component unit of the City of Atlanta.

On pages 19 through 22 are financial statements for the fiscal year ending June 30, 2011 that present the combined financial data for the Atlanta Development Authority, the Urban Residential Finance Authority and the Downtown Development Authority.

These financial statements are a part of the annual audit report. The audit was performed by Mauldin and Jenkins. A complete copy of the audit report can be accessed at www.investatlanta.com.



STATEMENT OF NET ASSETS - JUNE 30, 2011

ASSETS

Current assets:

Cash and cash equivalents	\$7,978,545
Restricted cash and cash equivalents	32,295,934
Investment in direct financing leases with the City of Atlanta, current portion	615,973
Other receivables	262,198
Prepaid items	412,909
Due from the BeltLine Tax Allocation District	4,133
Due from other funds	572,296
Due from the City of Atlanta, current portion of long term debt	790,000
Due from component units	71,253
Due from Atlanta Housing Opportunity, Inc., current portion of long term debt	1,295,490
Due from the U.S. Department of the Treasury	5,339,473
Total current assets	49,638,204

Noncurrent assets:

Investment in direct financing leases with the City of Atlanta	55,988,135
Due from the City of Atlanta	17,730,000
Due from Atlanta Housing Opportunity, Inc.	29,520,042
Loans receivable, net of allowance	4,246,569
Other receivables, net of allowance	4,435,726
Investment in CV Underground	2,100,343
Investment in development projects	795,540
Capital assets, nondepreciable	67,375,000
Capital assets, net of depreciation	3,569,369
Prepaid rent	2,067,687
Bond issuance costs, net of amortization	1,742,855
Advances for development costs	1,319,136
Advances to other funds	3,077,130
Advances to component units	264,921
Other assets	1,525
Total noncurrent assets	194,233,978
Total assets	243,872,182

LIABILITIES

Current liabilities:

Accounts payable	866,111
Bonds, notes, and loans payable, current portion	12,645,954
Capital leases payable, current	89,922
Accrued interest payable	2,153,413
Accrued liabilities	353,866
Line of credit payable	6,173,640
Unearned revenue	830,634
Pollution remediation liability	903,335
Funds held in escrow	7,987
Due to the City of Atlanta	200,000
Due to other funds	572,296
Total current liabilities	24,797,158

Noncurrent liabilities:

Capital leases payable	41,800
Unearned revenue	2,017,126
Other payables	1,421,692
Due to others	4,569,289
Advances from other funds	3,077,130
Bonds, notes, and loans payable	128,962,403
Total noncurrent liabilities	140,089,440
Total liabilities	164,886,598

NET ASSETS (DEFICIT)

Invested in capital assets, net of related debt	58,301,683
Restricted for debt services	8,099,795
Restricted for grant programs	31,169,188
Unrestricted	(18,585,082)
Total net assets	\$78,985,584

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS - JUNE 30, 2011

Operating revenues:		
Service, administration, and loan fees		\$11,383,419
Developer fees		981,793
Rental income		1,034,948
Income received from others for debt service payment		5,525,934
Other revenue		1,259,279
	Total operating revenues	20,185,373
Operating expenses:		
Development costs		5,290,797
Interest on bonds, notes, and loans		6,145,616
Program expenses		1,563,110
Economic development		109,710
Depreciation and amortization		510,875
General and administrative		7,169,527
	Total operating expenses	20,789,635
	Operating income (loss)	(604,262)
Interest income on bank accounts		22,928
Loss on disposal of capital assets		(468,977)
Transfers in		160,200
Transfers out		(160,200)
	Change in net assets	(1,050,311)
Net assets at beginning of fiscal year (restated)		80,035,895
Net assets at end of fiscal year		\$78,985,584

STATEMENT OF CASH FLOWS - JUNE 30, 2011

Cash flows from operating activities:		
Receipts from customers and grantors		\$7,933,479
Receipts from third parties (rental income)		1,034,948
Receipts of funds from the City of Atlanta for debt service payment		3,756,937
Receipts of interest on loans		16,388
Payments to/from component units		44,051
Miscellaneous receipts		134,891
Receipts of developer fees		933,355
Advances paid/received from Atlanta Development Authority		-
Advances to affiliates for development costs		(451,680)
Payments from Atlanta Housing Opportunity, Inc.		1,074,971
Payments to/from Atlanta Development Authority		-
Payments to suppliers		(2,571,042)
Payments to employees		(5,019,274)
Payments for interest		(3,167,320)
Payments for programs		(1,672,820)
Other		1,026,023
	Net cash provided by (used in) operating activities	3,072,907
Cash flows from noncapital financing activities:		
Receipts from City of Atlanta to cover interest expense on revenue bonds issued on behalf of the City of Atlanta for Atlanta Housing Opportunity, Inc.		1,768,997
Repayment of bonds, notes, and loan principal		(1,101,653)
Payments for interest		(2,697,556)
Repayment on bond principal on debt issued on behalf of the Downtown Development Authority		(74,732)
Repayment on bond principal related to revenue bonds issued on behalf of the City of Atlanta		(8,110,000)
Funds received on direct financing lease with the City of Atlanta		6,787,088
Payment of bond issuance cost on Recovery Zone bonds		(437,864)
Proceeds from issuance of Recovery Zone bonds		22,775,000
Principal reduction of Recovery Zone bonds		(5,000)
Transfers in		160,200
Transfers out		(160,200)
Repayment on line of credit		(115,833)
	Net cash provided by (used in) noncapital financing activities	18,788,447
Cash flows from capital financing activities:		
Principal payment for capital lease		(85,460)
	Net cash used in capital financing activities	(85,460)
Cash flows from investing activities:		
Receipts of interest on bank accounts		6,540
	Net cash provided by investing activities	6,540
	Net increase (decrease) in cash and cash equivalents	21,782,434
Cash and cash equivalents at beginning of fiscal year		18,492,045
Cash and cash equivalents at end of fiscal year		\$40,274,479

STATEMENT OF CASH FLOWS - CONTINUED

INVEST ATLANTA BOARD MEMBERS

Reconciliation to Statement of Net Assets:

Cash and cash equivalents	\$7,978,545
Restricted cash and cash equivalents	32,295,934
	<u>\$40,274,479</u>

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:

Operating income (loss)	\$(604,262)
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Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:

Depreciation and amortization expenses, net	86,281
Interest payments reported in operating income (loss)	921,616
(Increase) decrease in:	
Other receivables	443,305
Developer fees receivable	(2,370,261)
Advances for development costs	(451,680)
Advances to/from other funds	406,849
Loans receivable	30,268
Investment in real estate	530,036
Investment in development projects	93,270
Prepaid items	54,706
Due from Atlanta Housing Opportunity, Inc.	1,074,971
Due from BeltLine Tax Allocation District	(4,133)
Due from the City of Atlanta	1,030,434
Due from (to) component units	44,051
Due from (to) other funds	(206,374)
Due from U.S. Department of Treasury	(3,150,251)
Increase (decrease) in:	
Accounts payable and accrued expenses	(1,027,579)
Funds held in escrow	3,098
Due to the City of Atlanta	200,000
Due to primary government	(130,455)
Line of credit (U.S. Department of Treasury)	3,150,251
Other payables	3,692,236
Unearned revenue	(743,470)
Net cash provided by (used in) operating activities	<u>\$3,072,907</u>
Non-cash operating activities	
Allowance adjustment for doubtful receivables	\$2,096,053



Honorable Kasim Reed



Honorable
Joyce M. Sheperd



Mr. Joseph A. Brown



Ms. Anna Foote



Ms. Constance Barkley-
Lewis



Mr. Julian Bene



Commissioner Emma
Darnell



Mr. J.C. Love, III



Ms. Brenda J.
Muhammad



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