



ANNUAL REPORT 2012



INVESTATLANTA

Atlanta's Development Authority

Atlanta Development Authority
Urban Residential Finance Authority
Downtown Development Authority

ATLANTA'S DEVELOPMENT AUTHORITY





TABLE OF CONTENTS

Message from the Mayor and Invest Atlanta Chairman 2

Letter from Invest Atlanta President and CEO 3

About Invest Atlanta 4

Executive Team 5

Business Development 6

Small Business and Entrepreneurship..... 9

Redevelopment..... 10

Housing and Neighborhood Revitalization..... 12

Sustainability..... 14

Financial Statements 15

Invest Atlanta Board Members 21

MESSAGE FROM THE MAYOR AND INVEST ATLANTA CHAIRMAN



Over the past year, the City of Atlanta has made tremendous progress in attracting, fostering and retaining business --- from the success of our Fortune 500 companies to the rapid and noticeable growth of our tech start-ups and incubators for entrepreneurship.

In January 2012, my administration responded to changing economic dynamics and untapped business and investment opportunities by launching Invest Atlanta, the 2.0 version of The Atlanta Development Authority, and tasking its leaders with making the City the most economically competitive and dynamic in the South.

A signature moment of 2012 occurred in November, when the City welcomed Porsche as the first company to build its North American headquarters in the business district near Hartsfield-Jackson Atlanta International Airport. Located at One Porsche Drive, the \$100 million complex will soon house 400 employees, including 100 jobs that will be new to Georgia. That month, CNBC named Atlanta as the number one city for stock performance based on the performance of its biggest public companies in the stock market. Atlanta was also the only city where none of the biggest public company stocks dropped over the one-year period, according to CNBC.

Over the past two years, Atlanta's reputation as a great place to do business has been noticed across the nation. The City has been ranked by various, independent, third-party sources as:

- #1 for minority and women entrepreneurship
- #2 metro area for entrepreneurial activity
- #2 in job growth
- #3 for highest concentration of Fortune 500 headquarters
- #3 for business friendliness
- #5 in small business friendliness

A large part of our business success over the past year is due to the successful effort of my administration in restoring the City's fiscal stability. My administration has had three years of balanced budgets with no property tax increases. The City's cash reserves have grown from \$7 million in 2010 to more than \$126 million as audited by KPMG as of June 30, 2012.

Yet, we recognize we have much work ahead of us as we continue to focus on economic development and business investment opportunities. As Chairman of Invest Atlanta, my goal is for the agency to leverage the City's assets to facilitate even more job growth and economic success throughout the metropolitan Atlanta region. I am more committed than ever to maintaining and protecting the City's competitive advantage as a global gateway. We are a sophisticated, forward-thinking city with world-class assets in industries such as advanced manufacturing, technology, health and life sciences, supply chain and logistics, film and entertainment and green technology.

I am confident we've assembled the right people and the right tools at the right time to lead Invest Atlanta into the future and attract large global businesses, grow our entrepreneurial community, diversify our key industries, increase foreign direct investment and create a diverse and talented workforce second to none in the nation.

A stylized, handwritten signature in black ink, which appears to read "Kevin Phillips". The signature is fluid and cursive, with a large, sweeping loop at the end.

LETTER FROM INVEST ATLANTA PRESIDENT AND CEO



Last year was transformative and pivotal in the history of this organization as we implemented the new direction set by our board 18 months ago. Our overall goal was to refocus, rebrand and reinvigorate Atlanta's approach to creating jobs and competing globally for investment. Atlanta now has a modern and competitive economic development focus that can compete with any major city in the world.

During our first year as Invest Atlanta, our organization attracted an increasing amount of investment that created new jobs, enabled existing businesses to grow and helped residents purchase homes and invest in our City. We are very proud of our 2012 accomplishments, which included:

- Facilitating 2,009 direct new jobs and 1,304 indirect/induced jobs
- Announcing 35 new project wins
- Creating \$760 million in total economic impact for the City of Atlanta
- Generating \$66.4 million in new state and local taxes

Our newly formed economic development team worked closely with companies such as Carter's, which consolidated its headquarter operations in the City of Atlanta, to create new high-wage jobs. Our team also worked to land key innovation centers from companies such as Panasonic and Asurion, which will support existing businesses and foster new business opportunities.

On the redevelopment front, Invest Atlanta supported the Atlanta Better Buildings Challenge and orchestrated the final funding for Phase I of the National Center for Civil and Human Rights which broke ground in July, 2012. We continued our focus on developing the Atlanta BeltLine and the Atlanta Streetcar and supporting development at Ponce City Market, the College Football Hall of Fame and other major projects around the City. We also completed a comprehensive assessment and strategic plan for the City's Tax Allocation District program to ensure that it is operating efficiently and effectively as our economy emerges from the recession.

Our housing finance team attracted \$124 million in capital to implement two new programs and invest in several projects that provide quality housing opportunities for families throughout our City. We also reached a new milestone when the 100th homeowner closed on her residence using funds from the NeighborhoodLIFT program administered in partnership with Wells Fargo.

To strengthen our entrepreneurial ecosystem, we launched Startup Atlanta. This initiative is designed to support and serve as a resource for entrepreneurs who are creating jobs and starting new businesses that are the backbone of our economy. On March 9, I had the honor of ringing the NASDAQ opening bell in Times Square surrounded by some of Atlanta's most innovative entrepreneurs.

In 2012, Invest Atlanta also focused on helping our small and medium sized businesses export products and services abroad as well as attracting foreign direct investment to our City. We organized a trade mission to China led by Mayor Reed, resulting in a potential \$125.5 million in export trade and 75 new trade leads.

While we're proud of what Invest Atlanta accomplished last year, we know we have more work to do. This year we will continue the momentum created by Startup Atlanta, expand our international trade program and develop new public/private partnerships to leverage investment and accelerate job creation and economic growth. As a result of bold decisions made by Mayor Reed, our City Council and the Invest Atlanta Board of Directors, construction cranes are moving again all over the City and we are already seeing an increase in the number of leads we receive. We look forward to what we believe will be a banner year for Atlanta.

A handwritten signature in black ink, reading "Brian P. McGowan". The signature is fluid and stylized, with a long horizontal line extending from the end.

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



Brian P. McGowan
President and CEO



Ernestine W. Garey
Executive Vice President and COO



William C. Cronin
Vice President
Economic Development



Rosalind Rubens Newell
General Counsel



Douglas T. Ray
Chief Financial Officer



Dr. Eloisa Klementich
Managing Director
Business Development



Dawn Luke
Managing Director
Housing Finance



Tyrone Rachal
Managing Director
Redevelopment

BUSINESS DEVELOPMENT

2012 was an exciting year for Invest Atlanta's Business Development team. Together, the team was able to initiate new programs in support of the City's economic vitality. These new programs were in the areas of business retention, business recruitment and business creation.

In support of business recruitment, the Invest Atlanta Business Development team supported 26 project wins that facilitated the creation of 1,726 direct jobs representing more than \$329 million in direct investment to the City. These wins represent more than 900,000 square feet of commercial and retail space.

In addition to direct jobs, the new business development will create 1,226 indirect jobs. The impact of these new businesses represents an estimated new economic output of \$738,593,674, generating more than \$66 million in new state and local taxes.

Business Development Transactions 2012

New Wins	Industry	New Jobs	Square Footage	Investment
Asurion Insurance Services	Technology	250	30,000	\$5,000,000
BC Grand LLC	Development	15	66,000	\$100,000
Sputnik Engineering	Solar energy manufacturer	25	10,000	\$1,000,000
Big Nerd Ranch	Contract training and programming	25	20,000	\$1,300,000
Ogilvy & Mather	Advertising agency	124	15,000	\$24,000,000
Thrust Interactive	Computer gaming	60	5,000	\$500,000
Bento Box Entertainment	TV production and digital publishing	160	15,000	\$4,000,000
QRS Recycling	Manufacturing/Recycling	35	100,000	\$5,500,000
Verdeeco	Smart grid	16	1,500	\$500,000
Panasonic	Research and development	50	25,000	\$3,000,000
Streamline Health	Healthcare IT	150	25,000	\$5,000,000
3M	Manufacturing	52	4,000	\$8,000,000
Loomis	Distribution	25	100,000	\$2,000,000
Pratt Industries	Manufacturing	50	180,000	\$2,000,000
Agbar	Water technology	30	10,000	\$1,000,000
Kabbage	Technology	65	12,000	\$4,000,000
Sionic Mobile	Technology	65	5,000	\$5,000,000
Brandmovers	Technology	30	10,000	TBD
Advanced Particle Therapy	Proton therapy	110	100,000	\$225,000,000
Radioactivegiant	Multimedia	60	12,000	TBD
The Laugh Factory	Entertainment and media	12	10,000	TBD
GADR Holdings	Power tools	5	1,400	\$250,000
TOHL	Water transport	10	400	TBD
Carter's/Oshkosh B'gosh	Apparel	200	80,000	\$30,000,000
Project Flash	Footwear products	92	80,000	\$2,000,000
Rockefeller Group	Development	10	5,000	TBD
TOTAL		1,726	922,300	\$329,150,000

Business Recruitment

Invest Atlanta staff maintained a high profile while promoting the City as a great place to do business.

- The staff conducted sales missions to Northern California, Dallas and Jacksonville.
- The staff participated in the BIO 2012 in Boston, Area Development Consultants Forum in Jacksonville and the Site Selectors Guild Conference in Orlando.

Business Retention

The City of Atlanta is home to many businesses that together comprise the City's economy. It is crucial to the economic wellbeing of the City that these businesses continue to grow and excel. Throughout 2012, Invest Atlanta tested a survey tool and worked with our partners to strategize on the implementation. Now that the foundation has been laid, 2013 will be an important year for the effort. Task force members include representatives from Central Atlanta Progress, Fulton County, DeKalb County, Georgia Power, the Metro Atlanta Chamber of Commerce, the Buckhead Coalition, the State of Georgia, the Midtown Alliance, the Small Business Association, Atlanta Technical College, Atlanta Metropolitan College, the Northwest Business Association, the Atlanta BeltLine and Newmark Grubb Knight Frank.

International Business and Export Trade Promotion

With Invest Atlanta's new focus on positioning Atlanta in a global 21st century economy, the emphasis on international business and export trade has gained new prominence. The Business Development team pushed forward on key initiatives designed to promote Atlanta's world-class assets to the global business community.

One of the division's most important strategic objectives is creating global bridges and relationships. Invest Atlanta partnered with the Mayor's Office and the Metro Atlanta Chamber of Commerce to organize a Trade Mission to China focused on creating export trade opportunities for Atlanta-based businesses and promoting foreign direct investment in Atlanta by Chinese companies.

The China Trade Mission took place from March 23 through March 31 and accomplished the following:

- A potential \$125.5 million in new business, 75 new trade leads and 37 potential new jobs.
- Mayor Kasim Reed signed MOUs with the City of Nanjing, the City of Hangzhou and the City of Shenzhen.
- Foreign direct investment meetings resulting in nine projects and five leads, which could create thousands of jobs and hundreds of millions of dollars in capital investment.

Invest Atlanta had additional opportunities to strengthen the City's ties to China:

- In May, the Invest Atlanta staff welcomed the Mayor of Changzhou, China and his delegation as part of their reciprocal visit.
- In June, the Mayor of Hangzhou, China and his delegation visited.
- Invest Atlanta co-hosted, with the Department of Watershed, an inbound delegation from Nanjing, China, led by Deputy Mayor Jin Hua.
- In September, Mr. Cronin attended Nanjing Mayor's 2012 World Historical and Cultural Cities Exposition in Nanjing, China. Mr. Cronin presented on Atlanta's creative class and Startup Atlanta and called on three foreign direct investment prospects in Nanjing.

Other efforts to broaden Invest Atlanta's international presence:

- Invest Atlanta hosted an Export Finance Workshop, which included presentations from the Export-Import Bank, Invest Atlanta, the Small Business Administration, a Small Business Development Center, ACE Loans, Wells Fargo and Bibby Financial. At the event, Brian McGowan and Rick Martin signed an MOU between Export-Import Bank of the United States and Invest Atlanta.
- Invest Atlanta became an official partner of the U.S. Trade Development Authority.





Openings and Groundbreakings

Invest Atlanta had the privilege of celebrating several openings and groundbreakings during 2012 including:

- **Porsche:** The German automaker broke ground on its new \$100 million North American headquarters in November. The facility will be located at Aerotropolis, a 130-acre mixed-use development near Hartsfield-Jackson Atlanta International Airport.
- **SkyHouse Midtown:** This \$60 million 23-story high-rise at West Peachtree and 12th streets has 320 residential units and striking skyline views. Novare Group and Batson-Cook Development Co. broke ground on Feb. 1, with an aggressive timetable of completion in one year. This was one of two lease-purchase deals Invest Atlanta closed in 2012.
- **Panasonic Automotive Innovation Center:** Located at the LEED-certified Centergy One in Midtown, the Panasonic Automotive Systems' Automotive Innovation Center opened November 2. Invest Atlanta assisted with site selection.

- Invest Atlanta co-sponsored and arranged matchmaking for six Atlanta companies on Botswana Day, July 20th.
- In October, Invest Atlanta, Hartsfield-Jackson Atlanta International Airport, The Mayor's Office of International Affairs and the Metro Atlanta Chamber of Commerce co-hosted the 2012 Sustainable Airport Area Conference, which included 120 participants from all over the world.

Opportunity Zones

Invest Atlanta has used the Opportunity Zones tax credits as a tool to not only recruit businesses but also to support current businesses. Businesses within Opportunity Zones are eligible for a yearly income tax credit of \$3,500 for each new job created, as long as they create at least two net new jobs for up to five years. The total benefit of the tax credit can be \$17,500 per employee.

Invest Atlanta has worked hard to get Opportunity Zones approved where appropriate. In September, the state approved another Opportunity Zone in the area bounded by White Street and Lee Street in southwest Atlanta. The City leads the state with 11 Opportunity Zones. Based on the Opportunity Zone Certification process, the program has supported 124 new jobs.



SMALL BUSINESS AND ENTREPRENEURSHIP

Invest Atlanta is committed to supporting start-up activity and nourishing the City's entrepreneurial ecosystem. In 2012, the Small Business Development team processed 32 small business loan applications. From these, eight loans were funded to Atlanta-based organizations, supporting 47 direct jobs. Five of these loans were awarded to first-time start-up businesses.

Small Business Development and Assistance

Small Business Loans:

- Invest Atlanta approved 16 loans in 2012 totaling \$887,522 supporting the retention and creation of 70 jobs.
- Invest Atlanta closed eight loans in 2012. The total amount was \$558,140, which leveraged \$4,596,095 in total project investments. These loans retained and created 47 jobs for the City.



Closed Loans:

Business	Location	Total Investment	Loan Amount Closed
BC Grand	44 Broad St	\$3,890,000	\$100,000
Naan Stop	57 Forsyth St	\$200,000	\$50,000
Kosher Guacamole	30 Decatur St	\$80,000	\$41,270
Johnny's Pizza Bistro	902 MLK Jr. Drive	\$235,020	\$235,020
Care One Driving	1711 Ralph D Abernathy	\$56,250	\$25,250
Alfajr Trading Company	1126 Oak St	\$58,225	\$50,000
Absolute Body Symmetry	749 Moreland Ave	\$30,000	\$10,000
Hair Is She	2790 Lakewood Ave	\$46,600	\$46,600
TOTAL		\$4,596,095	\$558,140

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 440 consultations and held 17 small business information sessions designed to directly interact with the City's entrepreneurs and new small businesses. These sessions provided valuable information about Invest Atlanta's small business program offerings including everything from loans to counseling to incentives.

Startup Atlanta

In order to stimulate entrepreneurial growth and innovation in Atlanta, Invest Atlanta began convening a roundtable of key organizations dedicated to entrepreneurial development in October of 2011. Meeting regularly throughout the year, this group determined there was a need to bring together and build Atlanta's entrepreneur ecosystem. The group quickly created a vision to lead their efforts: to make Atlanta nationally and internationally recognized for entrepreneurship. Out of this collective vision from the City of Atlanta's entrepreneurs, leaders, thinkers, educators and innovators grew Startup Atlanta, officially launched by Mayor Reed in 2012. Startup Atlanta's mission is to introduce, connect, support and expand the entrepreneurial ecosystem within all industries for the Atlanta region.

Start-up companies and the entrepreneurs who take the risk to launch them are the real engines of job creation and economic growth. In fact, the Ewing Marion Kauffman Foundation has noted that all net new job growth in the United States occurs from start-up firms that develop organically. Atlanta has a rich history of entrepreneurship. From global, game-changing companies like Coca-Cola, Delta, Home Depot, UPS and CNN to social entrepreneurs like Martin Luther King, Jr. and Andrew Young, Atlanta is a place that welcomes new ideas and new people and embraces big thinking. At its core, Startup Atlanta seeks to connect, create and serve as an entrepreneur catalyst.

REDEVELOPMENT

One of Invest Atlanta's primary goals is to revitalize and redevelop neighborhoods in the City of Atlanta to provide a better quality of life for residents. To fulfill this objective, Invest Atlanta named Tyrone Rachal in November as Managing Director of the Redevelopment department. Mr. Rachal, a noted national expert on public-private partnerships and public financing, had been serving as the interim Managing Director.

The Redevelopment department utilizes tools such as Tax Allocation Districts and New Markets Tax Credits to create new jobs, renovate or rebuild structures in key areas and provide access to low-cost financing options.

Tax Allocation Districts (TADs)

TADs are one of several funding opportunities available to developers, investors and property owners. Within a TAD, redevelopment costs are financed through the pledge of future incremental increases in property tax revenues – using 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 or grading of land.

The City of Atlanta has established 10 TADs:

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

Bonds

Invest Atlanta received an investment grade rating of A2 for the City of Atlanta Tax Allocation Bonds (BeltLine Project) Series 2008 A/B/C and Series 2009 B/C. Issues rated A present above-average credit-worthiness relative to other US municipal or tax-exempt issuers or issues. Achieving an investment grade credit rating on these bonds lowers the future cost of debt in the TAD and evidences the strength of the City of Atlanta TAD program.

TAD Activity

- Invest Atlanta issued a Request for Ideas to the development community, seeking ideas for the potential redevelopment of 55 acres of underutilized property north of Turner Field as part of the Stadium Neighborhoods TAD. Invest Atlanta is currently reviewing the ideas submitted by local and national firms.
- The City of Atlanta accepted 4.7 acres from Invest Atlanta to facilitate the development of Historic Mims Park in the Vine City neighborhood. The project has the potential to represent up to \$55 million of private investment in this Westside TAD neighborhood. Invest Atlanta, the Mayor's Office and the City Council worked with the National Monuments Foundation to facilitate the public-private partnership.
- APD Urban Planning and Management, in association with Cooper Carry, Kimley-Horn and Associates and Planners for Environmental Quality, is consulting on a comprehensive strategy to create jobs and enhance quality of life for residents in the Westside TAD Neighborhood Area which specifically includes the neighborhoods of English Avenue and Vine City.
- With the support of the Westside TAD, the Walmart Supercenter at Historic Westside Village created 150 jobs, and approximately 90 of those positions were filled by area residents. In a community that was once a food desert with few retail options, the store includes a grocery, pharmacy, banking center and general merchandise. The innovative store design is geared toward intown communities and includes 75,000 square feet of new retail space.



- Invest Atlanta approved TAD funding not to exceed \$496,500 for the expansion of the Georgia Film and Television Center, owned by EUE/Screen Gems Studios, within the Metropolitan Parkway TAD. The expansion will create an additional 32,000 square feet of sound stages and advance the economic impact of the film industry within this TAD.
- Invest Atlanta allocated up to \$8 million in Westside TAD tax increment in support of the Atlanta Better Buildings Challenge (“Atlanta BBC”), which will provide Atlanta BBC participants within the Westside TAD both investment-grade energy audits and access to capital for implementation of energy efficiency projects. Four buildings were selected to receive energy audit services: 100 Peachtree, American Cancer Society Center, English Avenue Yards and the Walton Building.
- The Redevelopment team, in partnership with the City of Atlanta, received a Livable Centers Initiative (LCI) grant of \$120,000 for the production of a plan to create strategies for growth and development at and around Lakewood Fairgrounds in the Metropolitan Parkway TAD. This plan will focus on leveraging Aaron’s Lakewood Amphitheater and EUE/Screen Gems Studios to attract movie and television production jobs and create a film industry cluster.
- AEMI created the Atlanta Catalyst Fund, a new small business revolving loan fund to complement its NMTC activities. The fund will lend between \$50,000 and \$100,000 to stimulate small business lending in distressed neighborhoods. Invest Atlanta provides loan origination, underwriting, servicing and compliance activities and complements the existing small business loan funds it currently administers.
- AEMI approved a qualified low-income community investment to the National Center for Civil and Human Rights (NCCHR) from AEMI Fund IV, LLC and AEMI Fund V, LLC. The funds were raised in September with PNC Bank as investment partner. PNC will also provide its own NMTC allocation in support of this transaction and will assist in bridging the charitable contributions committed to date. Phase I is now under construction to include a new 42,000-square-foot center with exhibition space, meeting facilities, performance space, retail space and a water feature.

Strategic Planning for Success

Invest Atlanta engaged the services of independent consulting firm HR&A Advisors to evaluate the TAD program and provide better alignment with Invest Atlanta’s new focus on job creation and global competitiveness. The Atlanta Tax Allocation District Strategic Review provides direction on how to leverage the TAD program to accelerate the elimination of blight, attract private investment to generate jobs and create amenities that allow Atlanta to compete in the global economy. The results, coupled with several of the recommendations in the City of Atlanta TAD Performance Audit, will assist Invest Atlanta in charting a new and improved course to elevate the TAD program.

New Markets Tax Credits (NMTCs)

The New Markets Tax Credit program creates jobs and drives investment to communities with high rates of poverty and unemployment. Atlanta Emerging Markets, Inc. (AEMI) is a community development entity wholly-owned by Invest Atlanta. AEMI seeks to spur job creation, economic development and neighborhood revitalization in underserved parts of the City of Atlanta. AEMI provides innovative, flexible financing products to high-impact, credit-challenged businesses and real estate development projects. AEMI utilizes the federal NMTC to attract private sector investment to finance community investments.

- In September, AEMI closed a \$13 million mezzanine loan investment fund with PNC Bank as investment partner, marking the fourth investment fund AEMI has raised in deploying \$80 million in NMTC allocation received from the Department of the Treasury.



HOUSING AND NEIGHBORHOOD REVITALIZATION

In 2012, Invest Atlanta's Housing Finance department, also known as the Urban Residential Finance Authority, continued its commitment to preserving Atlanta's existing housing stock and becoming a central part of the City's effort to transform and stabilize its many diverse neighborhoods. Housing Finance met or exceeded all 23 metrics established to measure performance, ranging from attracting capital investment to increasing community outreach.

Housing Finance attracted \$124 million in capital to not only implement two new pivotal programs but to also invest in several catalytic projects throughout the City. By utilizing more than \$20 million of its own incentives, the department leveraged more than \$58 million in private investment to create and/or preserve nearly 740 units of affordable housing.

Transactions/Loans Closed

Project	Invest Atlanta Funding Source	Invest Atlanta Contribution	Total Investment	Project Type	Total Units	Affordable Units
Providence at Cascade fka Central Methodist Gardens	Tax Exempt and Housing Opportunity Bonds	\$11,000,000	\$20,454,615	Multifamily Rental	240	240
Betmar Village	Tax Exempt Bonds	\$3,550,000	\$6,601,377	Multifamily Rental	48	48
Briarcliff Summit	Housing Opportunity Bonds	\$1,500,000	\$27,000,000	Multifamily Rental	200	200
Resources for Residents & Communities	Housing Opportunity Bonds	\$108,238	\$305,436	Single Family Homes	2	2
Odyssey Villas	Homeless Opportunity Fund	\$66,415	\$66,415	Supportive Homeless Housing	32	32
Trinity Hall	Homeless Supportive Service	\$100,000	\$100,000	Supportive Service Grant	25	25
Project Community Connections	Homeless Supportive Service	\$50,000	\$50,000	Supportive Service Grant	0	0
Single Family Mortgage Loans	Neighborhood Lift and BeltLine Trust Fund	\$3,670,875	\$23,491,670	Down Payment Assistance	192	192
TOTAL		\$20,045,528	\$78,069,513		739	739

Housing Preservation

For the past three years, preservation has been a strategic priority of the Housing Finance department. In 2012, more than 474 existing units received substantial rehabilitation dollars from Invest Atlanta. In addition, Housing Finance restructured the existing financing of three major residential developments currently in its housing portfolio. This resulted in the preservation of more than 555 portfolio units and \$51 million of capital investment, as well as the creation of an additional 120 units.

Residential Units Preserved

Project	URFA Investment Preserved	Total Investment Preserved	Total Units Preserved	Affordable Units Preserved
The Preserve at Cascade	\$12,500,000	\$17,856,374	210	158
Martin Manor	\$1,715,000	\$2,235,000	40	40
M-Street Apartments	\$28,000,000	\$31,190,000	308	62
TOTAL	\$42,215,000	\$51,281,374	558	260

Project Highlights:

Briarcliff Summit: Neighborhood Revitalization closed a Housing Opportunity Bond loan in the amount of \$1.5 million for Briarcliff Summit Apartments, leveraging \$25 million in other financing sources for the 200-unit historic building for elderly and disabled people. Briarcliff Summit is well situated within the community and is near many local amenities including: public bus lines, grocery stores, places of worship, healthcare facilities and parks and recreational space.

Betmar Village: Invest Atlanta issued \$3.5 million in tax-exempt bonds and leveraged \$3 million in other sources to finance the new construction of 48 units of affordable housing for seniors. National Church Residences, a non-profit organization that develops and manages affordable senior housing nationwide, is the developer.

Capital Attractions:

NeighborhoodLIFT: Invest Atlanta's Homeownership team was chosen to administer \$6.4 million in down payment assistance on behalf of Wells Fargo Foundation. The City of Atlanta was one of two cities initially granted funds by Wells Fargo Foundation to help stabilize neighborhoods plagued with vacant and foreclosed properties. Qualified buyers whose incomes do not exceed 120% of AMI -- up to \$83,000 for a family of four -- may receive up to \$15,000 in down payment assistance. By the end of 2012, Invest Atlanta closed 139 loans under this program.

Home Atlanta 4.0: A \$60 million pool of funds provided by Raymond James/Morgan Keegan allowed Invest Atlanta to launch Home Atlanta 4.0, a homeownership program that will provide 30-year, fixed-rate private mortgages to qualified borrowers, in addition to a 5% down payment assistance grant. Household incomes may be as high as 140% of the area median income. For a one-person household, this meant a maximum income of \$67,900 in 2012, while a family of three could have earned up to \$92,800 per year. Homeowners may also use this program to refinance existing mortgages.



SUSTAINABILITY

In 2012, Invest Atlanta continued its commitment to sustainability, moving closer to its goal of becoming one of the nation's top 10 green cities. Invest Atlanta is committed to improving the City through development of parks and greenspaces, brownfield remediation, public and/or private projects that enhance sustainability and energy-efficient developments.

The Atlanta BeltLine

A primary goal of Invest Atlanta is to revitalize and redevelop neighborhoods across the City and provide a better quality of life for our residents. One notable project is the Atlanta BeltLine, which is the most comprehensive revitalization effort underway within Atlanta and among the largest urban redevelopment and mobility projects in the United States. This sustainable project is providing a network of public parks, multi-use trails, transit and affordable housing by re-using 22 miles of historic railroad corridors circling downtown and connecting 45 neighborhoods directly to each other. Atlanta BeltLine, Inc. (ABI), formed by Invest Atlanta, is the entity tasked with planning and executing the implementation of the Atlanta BeltLine in partnership with other public and private organizations, including City of Atlanta departments.

In 2012, the Atlanta BeltLine opened the 2-mile Eastside Trail, created 34 units of affordable housing, completed master planning for the entire Atlanta BeltLine planning area, adopted an Environmental Justice Policy after a series of community input meetings, and received a Record of Decision from the Federal Transit Administration for the Tier I Environmental Impact Statement for transit and trails – a critical step toward receiving federal transit funding. Since 2010, the Atlanta BeltLine has opened 4.5 miles of new trails and 4 new parks, which total more than 30 acres and include Atlanta's first energy cost-neutral park, and remediated nearly 80 acres of contaminated land.

Parks and Greenspace

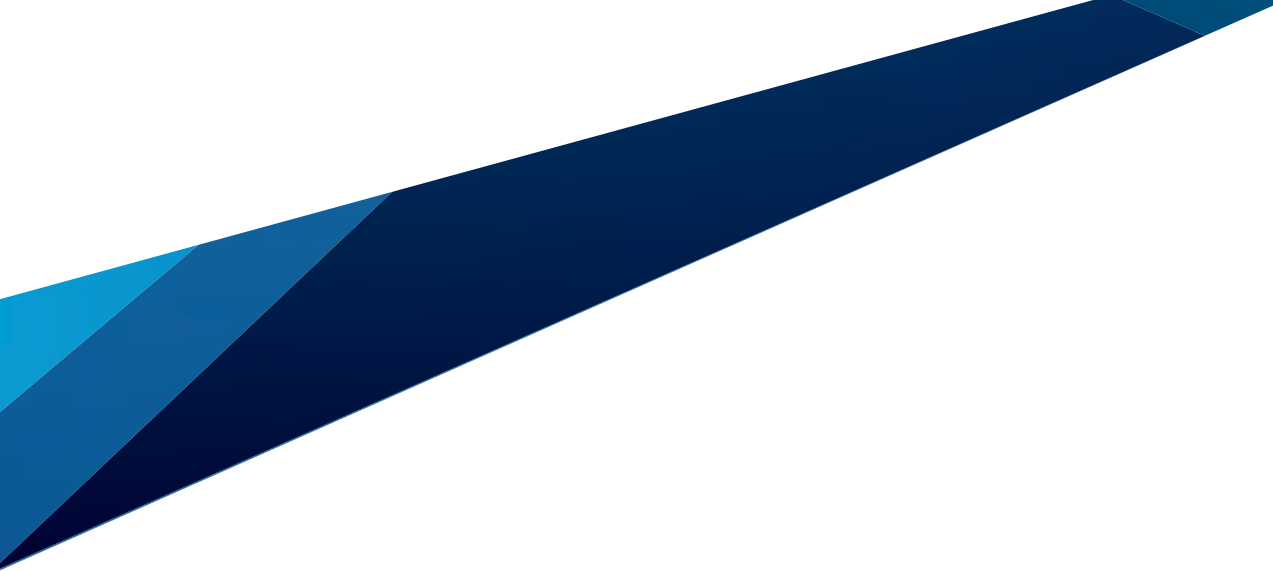
As part of Invest Atlanta's goal to promote neighborhood revitalization and achieve a higher quality of life for its residents and visitors, multiple projects toward the expansion and improvement of the City's parks and greenspace were completed in 2012.

Through investments of \$1,174,000, Invest Atlanta managed the addition of over 53 acres for the expansion of six parks and trails including Historic Fourth Ward Park, Lang Carson Park, Westside Park, Vine City Park, Jennie Drake Park and the SW BeltLine Connector Trail at Beecher Hills. Additionally, Invest Atlanta transferred 4.7 acres from their inventory to the City of Atlanta for the creation of the proposed Mims Park in Vine City.





FINANCIAL STATEMENTS



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

On pages 17 through 20 are financial statements for the fiscal year ending June 30, 2012. These statements present the combined financial data for the Atlanta Development Authority, the Urban Residential Finance Authority and the Downtown Development Authority.

These financial statements are 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, 2012

ASSETS

Current assets:

Cash and cash equivalents	\$8,088,588
Restricted cash and cash equivalents	29,061,179
Investment in direct financing leases with the City of Atlanta, current portion	644,623
Other receivables	1,622,140
Prepaid items	316,029
Due from the BeltLine Tax Allocation District	4,132
Due from other funds	4,217
Due from the City of Atlanta, current portion of long term debt	840,000
Due from component units	122,472
Due from Atlanta Housing Opportunity, Inc., current portion of long term debt	1,354,818
Total current assets	42,058,198

Noncurrent assets:

Investment in direct financing leases with the City of Atlanta	48,863,512
Due from the City of Atlanta	16,900,000
Due from Atlanta Housing Opportunity, Inc.	28,327,354
Loans receivable, net of allowance	4,323,395
Other receivables, net of allowance	4,435,726
Investment in CV Underground	1,917,951
Investment in development projects	595,415
Capital assets, nondepreciable	67,051,365
Capital assets, net of depreciation	3,297,200
Prepaid rent	1,983,291
Bond issuance costs, net of amortization	1,558,607
Advances to other funds	2,673,249
Advances to component units	264,921
Other assets	1,524
Total noncurrent assets	182,193,510
Total assets	224,251,708

LIABILITIES

Current liabilities:

Accounts payable	665,462
Bonds, notes, and loans payable, current portion	10,736,940
Capital leases payable, current portion	62,097
Accrued interest payable	1,773,869
Accrued liabilities	320,609
Line of credit payable	250,000
Unearned revenue	493,267
Pollution remediation liability	154,100
Funds held in escrow	5,138
Due to BeltLine Tax Allocation District	759,682
Due to other funds	4,217
Total current liabilities	15,225,381

STATEMENT OF NET ASSETS - CONTINUED

Noncurrent liabilities:

Capital leases payable	35,176
Unearned revenue	1,898,404
Other payables	87,556
Due to others	7,139,632
Advances from other funds	2,673,249
Bonds, notes, and loans payable	119,612,291
Total noncurrent liabilities	131,446,308
Total liabilities	146,671,689

NET ASSETS (DEFICIT)

Invested in capital assets, net of related debt	66,629,756
Restricted for debt services	8,008,509
Restricted for grant programs	30,025,917
Unrestricted	(27,084,163)
Total net assets	\$77,580,019

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - JUNE 30, 2012

Operating revenues:

Service, administration, and loan fees	\$6,341,247
Developer fees	21,497
Private grants	1,000,000
Rental income	808,382
Income received from others for debt service payments	6,498,569
Other revenue	2,998,960
Total operating revenues	17,668,655

Operating expenses:

Development costs	94,350
Interest on bonds, notes, and loans	6,287,200
Program expenses	750,000
Economic development	3,733,590
Depreciation and amortization	461,391
General and administrative	7,987,729
Total operating expenses	19,314,260
Operating income (loss)	(1,645,605)

Interest income on bank accounts	6,016
Transfers in	94,514
Transfers out	(94,514)
Contributed capital	234,024
Change in net assets	(1,405,565)
Net assets at beginning of fiscal year	78,985,584
Net assets at end of fiscal year	\$77,580,019

STATEMENT OF CASH FLOWS - JUNE 30, 2012

Cash flows from operating activities:

Receipts from customers and grantors	\$5,768,283
Receipts from third parties (rental income)	990,774
Receipts of interest on loans	49,484
Payments to component units	(25,219)
Miscellaneous receipts	2,698,596
Receipts of developer fees	21,497
Repayment of advances to affiliates for development costs	1,319,136
Payments from Tax Allocation Districts	759,682
Payments to/from other funds	-
Payments to suppliers	(6,744,882)
Payments to employees	(4,946,691)
Payments for programs	(3,215,087)
Other	3,603
Net cash provided by (used in) operating activities	(3,320,824)

Cash flows from noncapital financing activities:

Receipts from the City of Atlanta to cover debt service on revenue bonds issued on behalf of the City of Atlanta	8,421,929
Receipt of principal and interest on loans	13,297
Repayment of bonds, notes, and loan principal	(1,456,919)
Payments for interest	(6,994,654)
Repayment on bond principal on debt issued on behalf of the Downtown Development Authority	(64,242)
Repayment on bond principal related to revenue bonds issued on behalf of the City of Atlanta	(8,330,000)
Funds received on direct financing lease with the City of Atlanta	7,095,973
Repayment of advances to other funds	1,611,805
Advances to other funds	1,618,569
Advances to City of Atlanta	(10,000)
Principal reduction of Recovery Zone bonds	(940,000)
Transfers in	94,514
Transfers out	(94,514)
Acquisition of capital assets	(97,341)
Receipt from the U.S. Department of the Treasury	5,339,473
Draw on line of credit	250,000
Repayment on loan payable	(6,173,640)
Net cash provided by (used in) noncapital financing activities	284,250

Cash flows from capital financing activities:

Principal payment for capital lease	(94,154)
Net cash used in capital financing activities	(94,154)

Cash flows from investing activities:

Receipts of interest on bank accounts	6,016
Net cash provided by investing activities	6,016

Net increase (decrease) in cash and cash equivalents (3,124,712)

Cash and cash equivalents at beginning of fiscal year	40,274,479
Cash and cash equivalents at end of fiscal year	<u>\$37,149,767</u>

STATEMENT OF CASH FLOWS - CONTINUED

Reconciliation to Statement of Net Assets:

Cash and cash equivalents	\$8,088,588
Restricted cash and cash equivalents	29,061,179
	<u>\$37,149,767</u>

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

Operating income (loss)	(\$1,645,605)
-------------------------	---------------

Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:

Depreciation and amortization expenses, net	48,157
Interest receipts reported in operating income (loss)	(6,511,866)
Interest payments reported in operating income (loss)	6,986,505
Allowance for doubtful accounts	1,081,271
(Increase) decrease in:	
Other receivables	(1,359,817)
Advances for development costs	1,319,136
Loans receivable	(76,826)
Investment in development projects	200,000
Investment in CV Underground	182,392
Prepaid items and other assets	181,277
Due from (to) component units	(29,740)
Due from (to) other funds	—
Increase (decrease) in:	
Accounts payable and accrued expenses	(601,275)
Funds held in escrow	(2,849)
Due to the City of Atlanta	(200,000)
Due to the BeltLine Tax Allocation District	759,682
Pollution remediation liability	(94,235)
Other payables	(3,100,942)
Unearned revenue	(456,089)
Net cash provided by (used in) operating activities	<u>(\$3,320,824)</u>

Non-cash capital financing activities

Donated capital asset	\$234,024
-----------------------	-----------



INVEST ATLANTA BOARD MEMBERS



The Honorable Kasim Reed
Mayor, City of Atlanta



The Honorable
Joyce M. Sheperd



Mr. Joseph A. Brown



Ms. Anna Foote



Ms. Constance
Barkley-Lewis



Mr. Julian Bene



Mr. J.C. Love III, Esq.



The Honorable
Brenda J. Muhammad



The Honorable
Emma Darnell



INVESTATLANTA

Atlanta's Development Authority

www.InvestAtlanta.com

(404) 880-4100

www.facebook.com/InvestAtlanta

Twitter @InvestAtlanta