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**CITY OF ATLANTA
TAX ALLOCATION DISTRICTS
QUARTERLY REPORT**

DATE: 2/1/2008

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

FROM: CHERYL STRICKLAND, MANAGING DIRECTOR, TAX ALLOCATION DISTRICTS

CC: MAYOR SHIRLEY FRANKLIN
DR. BEVERLY HALL, SUPERINTENDENT, ATLANTA PUBLIC SCHOOLS
ZACHARY WILLIAMS, COUNTY MANAGER, FULTON COUNTY
LOUVERSIA SIMON, PRESIDENT, ATLANTA PLANNING ADVISORY BOARD
ATLANTA DEVELOPMENT AUTHORITY BOARD OF DIRECTORS
CITY OF ATLANTA OFFICIALS:
GREGORY GIORNELLI, CHIEF OPERATING OFFICER
JANICE DAVIS, CHIEF FINANCIAL OFFICER
ELIZABETH B. CHANDLER, CITY ATTORNEY
STEVE COVER, COMMISSIONER OF PLANNING

SUBJECT: TAX ALLOCATION DISTRICT QUARTERLY REPORT: 4TH QUARTER 2007

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Dear TAD Stakeholders:

2007 has been a productive and eventful year for the TAD program. Nine projects funded through the 2005 Eastside and Westside TAD bond issues opened to new residents, employees and visitors. The due diligence and approval processes for the first Perry Bolton TAD and third Westside TAD bond issues are well underway and we look forward to 2008 issuances.

To date, we have administered six TAD bond issues totaling \$410 million. The TAD funding invested has leveraged private direct investment in excess of \$2.8 billion and resulted in 4 million square feet of commercial space, 680 hotel rooms, and 8,000 housing units of which 1,900 are affordable.

Approximately \$5 million has been generated through both the Eastside and Westside TAD for parks and greenspace acquisition and development. We are also committed to allocating funds and supporting new projects in Vine City and English Avenue that will establish a higher quality of life for residents in those communities. To date we have provided over \$14 million in Westside TAD Neighborhood Funds for projects in these two neighborhoods.

We continue to work with the City, the Atlanta Board of Education and the Fulton County Board of Commissioners to implement the four new Commercial Corridor TADs to ensure that development and economic revitalization occurs throughout the City. I would like to thank the Atlanta Board of Education and the Fulton County Board of Commissioners for their participation to date in the City of Atlanta TADs. We appreciate your interest and dedication to the economic development of the City. Your ongoing partnership makes our efforts to revitalize the City possible.

Two publications released in 2007 reported Atlanta's effectiveness in implementing the TADs:

- "Tax Increment Financing Best Practices Reference Guide", jointly released in November by International Council of Shopping Centers and the Council for Development Finance Agencies. ADA was a significant contributor to the development of this publication, distributed nationally.
- Livable Cities Coalition Report: "Survey and Analysis of Tax Allocation Districts (TADs) in Georgia - The First 8 Years". An independent third-party evaluation of the financial performance of TADs and their effectiveness as a redevelopment tool. Cited Atlanta as having performed well and issued 92% of all TAD bonds in the state.

Both are available on the ADA website at www.atlantada.com.

We are excited to share our accomplishments and look forward to continuing to partner with you to achieve our ambitious goals for 2008.

Sincerely,

Cheryl Thomas Strickland
Managing Director, TADs

2007 YEAR IN REVIEW

2007 saw a number of TAD projects throughout the City come into fruition. Several projects in the Eastside and Westside TADs, funded through the 2005 bond issues, opened to the public, including:

- Ernst and Young, the anchor tenant in Barry Real Estate's **55 Allen Plaza** (Westside TAD), began moving 1,250 employees into the building in April.
- The new **World of Coca-Cola** (Westside TAD) has attracted approximately 800,000 visitors since opening in May.
- Residents began moving into **Tribute Lofts** (Eastside TAD), a 147-unit condominium project on Freedom Parkway, in July.
- A ribbon cutting ceremony for **The Washington Condominiums** at Historic Westside Village (Westside TAD) was held on July 28th. The 146-unit transit oriented development, a joint venture of Russell New Urban and the Trammell Crow Company, is located on Martin Luther King Jr. Drive adjacent to the Ashby Marta Station.
- **The Ellis** (Westside TAD), formerly the Winecoff Hotel, opened its doors to guests in early October. Vacant for over 30 years, the building has been restored to its former grandeur as an upscale boutique hotel.
- **Oakland Park** (Eastside TAD), Atlanta's first LEED certified multi-family housing project, developed by Urban Realty Partners and Melaver, welcomed new homeowners in October.
- STATS, a modern sports-themed bar and restaurant developed by Legacy Property Group in partnership with Concentrics Restaurants, is the first restaurant to open on Restaurant Row at **Marietta Place** (Westside TAD).
- The grand opening of **TWELVE Centennial Park** (Eastside TAD) was celebrated October 22nd with catering provided by Room, a new Concentrics restaurant located in the building. The project, which includes 517 condominium units and 102 hotel rooms, is a transit oriented development in Centennial Hill, adjacent to the Civic Center Marta Station.
- **Renaissance Walk at Sweet Auburn** (Eastside TAD), the first large-scale development on Auburn Avenue in over 30 years, began welcoming residents in November.



The Winecoff Hotel in the Westside TAD (Before)

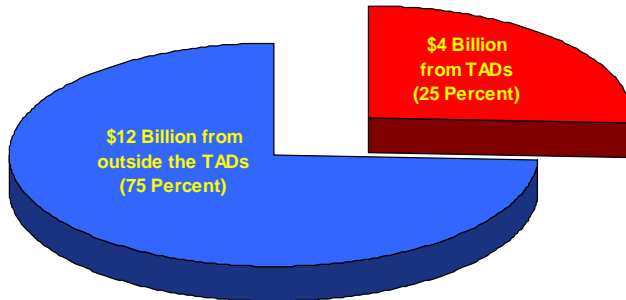


The Ellis in the Westside TAD (After)

Accomplishments to Date

ADA currently operates five tax allocation districts and we work closely with Atlanta BeltLine, Inc. on the BeltLine TAD. Four additional TADs were created by the City in 2006 and will become operational pending approval of the Atlanta Public Schools participation agreement, anticipated in February 2008. The city's ten TADs comprise 15,377 acres of geography and about \$7.3 billion in property value.

**City of Atlanta Property Value Growth
2005-2007
\$16 Billion Dollars**



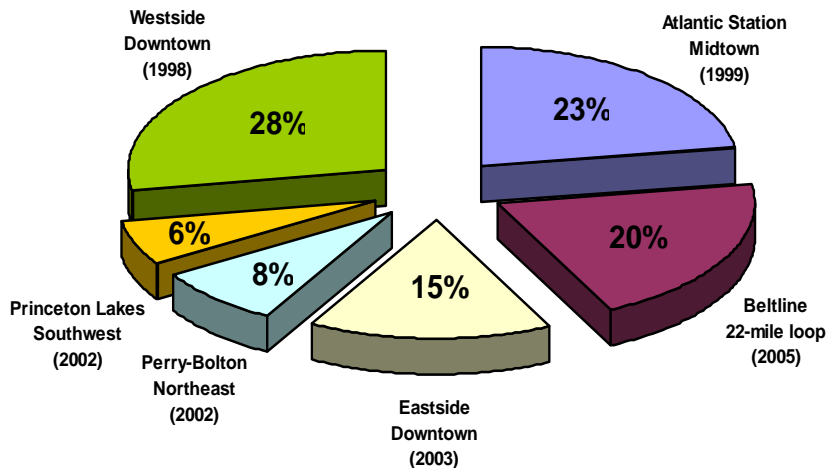
Citywide, property values increased 8 percent annually, based on a 3-year average. Of the \$16 billion in growth in property value in the City, 25 percent, or about \$4 billion, has occurred within the first six TADs. Each of the 10 TADs was formerly a slow- or no-growth area. Given that they represent 10 percent of the city's tax base, the fact that they generated 25 percent of the

city's growth over the past three years is a testament to their economic development effectiveness.

In our role as the city's Redevelopment Agent, ADA has managed six TAD bond issues totaling \$410 million since 2001. These underlying 24 projects leveraged private direct investment in excess of \$2.8 billion and resulted in:

2 million	Square Feet of Office Space
2.2 million	Square Feet of Retail and Entertainment Space
\$2.7 billion	Private Investment Leveraged
\$400 million	Value of City of Atlanta TAD Bond issues
680	Hotel Rooms Constructed
1,900	Affordable Housing Units Constructed with TAD Assistance
8,000	Total Housing Units Constructed

**Distribution of Property Value Growth
in Atlanta TAD's**



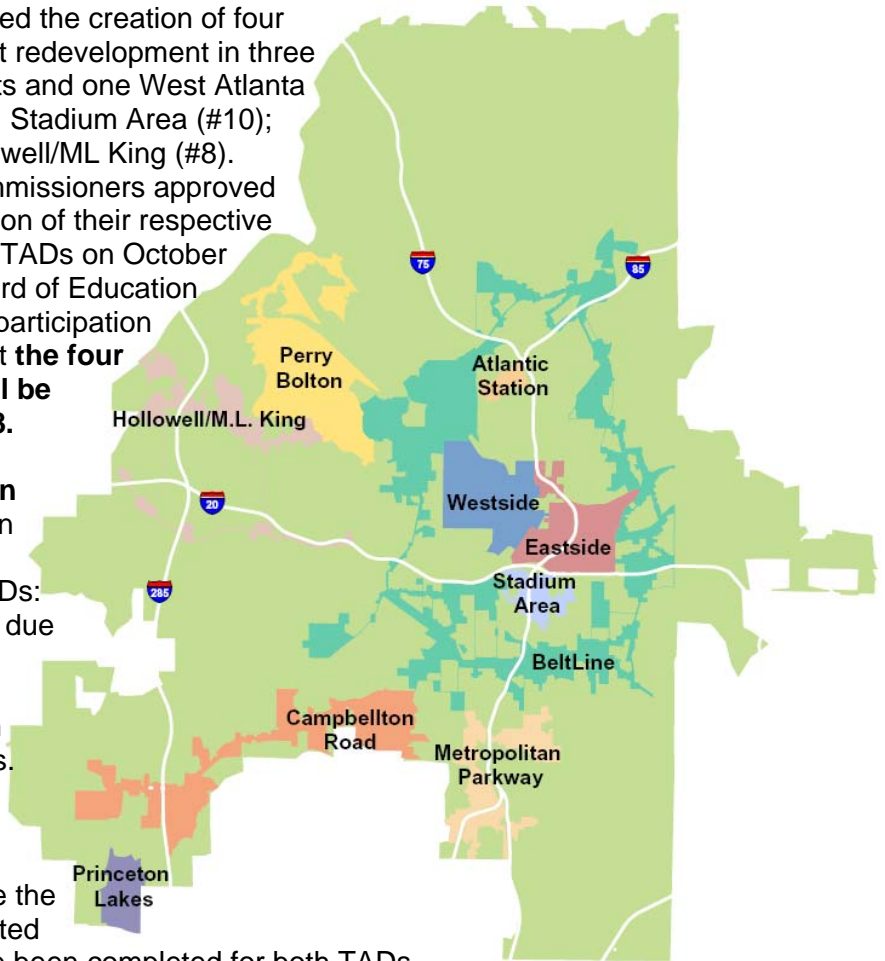
New Commercial Corridor TADs Created

In late 2006, City Council approved the creation of four additional TADs to help jumpstart redevelopment in three South Atlanta commercial districts and one West Atlanta corridor: Campbellton Road (#7); Stadium Area (#10); Metropolitan Parkway (#9); Hollowell/ML King (#8). The Fulton County Board of Commissioners approved legislation allowing for the inclusion of their respective property taxes in these four new TADs on October 3rd and negotiations with the Board of Education regarding the conditions of their participation are ongoing. It is anticipated that **the four Commercial Corridor TADs will be operational by 3rd Quarter 2008.**

New Bond Issues Coming Soon

Over the past year ADA has been actively working on bond issuances in two of the City’s TADs: Perry Bolton and Westside. The due diligence and project approval process is well underway for the five Perry Bolton TAD and fifteen Westside TAD funding applicants. The real estate market studies, which analyze the viability of these projects, and the fiscal feasibility studies, which estimate the amount of property taxes generated by these projects over time, have been completed for both TADs.

All projects in each district have been approved by the Advisory Boards, and the Perry Bolton TAD projects were approved by the ADA Board on November 15th. City Council approval of the bond issues will be sought after a decision on the BeltLine TAD litigation has been rendered. **ADA anticipates issuing bonds to support all approved projects by 2nd Quarter 2008**, presuming the satisfactory and timely resolution of legal challenges.



Westside TAD Neighborhood Fund Projects

Westside TAD Neighborhood Funds have been allocated to twelve projects in the Vine City and English Avenue communities. Capital projects supported by the Westside TAD Neighborhood Fund will catalyze new development in the English Avenue and Vine City neighborhoods. The following is a list of the projects to which Westside TAD Neighborhood Funds have been allocated:

Project Name	Scope	TAD Funding
Neighborhood Union Health & Community Center	7,500 square foot expansion	\$2,625,000
Elm Street Townhomes	Construction of 28 townhomes	\$1,335,000
English Avenue Condo Estates	8-unit condominium conversion	up to \$357,869
Vine City Greenspace	Acquisition & development of community park	\$900,000
Elm Street Mixed-Income	Construction of 55 townhomes	up to \$2,000,000
Neighborhood Housing Rehabilitation Initiative	Major rehabilitation of 10 homes	up to \$500,000

English Avenue Rehabilitation	Rehabilitation of 30 single-family homes	\$300,000
Hagar Civilization Training Missionary Center	Rehabilitation of existing building	up to \$750,000
Historic Westside Village	57 residential units & 7,000 square feet retail	\$1,250,000
NPU-L Demolition Initiative	Demolition of 24 blighted properties	up to \$500,000
Vine Square	Construction of 3-story commercial building	\$1,100,000
Vine City Terrace	30-unit townhome conversion	\$998,500

Thus far 7 projects are underway, and one project, Hagar Civilization Training Missionary Center, has been completed.



Elm Street Townhomes in the Westside TAD English Avenue Neighborhood

Greenspace Funding

Over the past year ADA has also spearheaded land acquisition for the Memorial Drive Greenway Corridor Assemblage in the Eastside TAD, a seven-block liner greenspace project that will eventually connect Oakland Cemetery to the state capitol. **Three of the seven blocks slated to be included in the park have been acquired by the City with funding support provided through the Eastside TAD**, in addition to Quality of Life Bonds, Park Impact Fees and a donation from the Historic Oakland Foundation. This vision of a grand gateway to the state capitol dates back to 1974, when it was included in a State of Georgia plan approved by Governor Jimmy Carter. Eventually, a plaza and park will extend across the interstate from the new, mixed-use Capitol Gateway development, connecting this historically disenfranchised area to downtown Atlanta.

ADA has also provided funding for the expansion and development of Vine City Park. Located west of downtown in the historic Vine City community, this park will eventually encompass an entire city block, providing much-needed community recreation space for the enjoyment of near-by residents. Developed by the city of Atlanta, in partnership with Park Pride and the Vine City Civic Association, it was funded in part with \$900,000 in Westside TAD Neighborhood Funds in addition to foundation grants and other City funding.

AFFORDABLE WORKFORCE HOUSING UPDATE

The City's first five TADs have funded approximately 1,900 affordable housing units to date in the Eastside, Westside and Atlantic Station TADs. Approximately 650 affordable units are also planned or underway in the Perry Bolton TAD.

Atlantic Station TAD: The developer's goal is to provide 20% of all residential units to families earning up to 80% AMI. To date, 23% of all housing units constructed, under construction and planned, have been affordable. This includes 401 condominiums and 427 apartments.

Eastside TAD: The Eastside TAD Affordable Housing Program was established to ensure all residential projects receiving Eastside TAD support will include 20% affordable housing targeted to homeowners earning up to 80% of the area median income (AMI) or renters earning up to 60% of AMI. In all, 38%, or 718 units (514 apartments and 204 condominiums), will be affordable, nearly double the target. Thus far, 85 affordable ownership units have closed at TWELVE Centennial Park, Oakland Park, The Reynolds, Renaissance Walk and Tribute Lofts. Additionally, 421 apartments at Capitol Gateway have been completed, of which 254 are affordable.

Compliance: ADA manages the Eastside Affordable Housing Purchase Program ("AHPP"), which is currently the only ADA program producing fee-simple affordable housing. Under this program, 20% of all fee simple units in projects receiving TAD assistance are required to be affordable. ADA manages program compliance for the initial purchase of each affordable unit. ADA receives notification upon resale or refinancing; this facilitates monitoring of the occupancy of each affordable unit. Thus far, 85 units have closed at The Reynolds, Tribute Lofts, Oakland Park, TWELVE Centennial Park and Renaissance Walk.

Perry Bolton TAD, West Highlands: Fifty-six percent (395 units) of the multi-family rental units will be affordable. Upon completion, the project will include approximately 240 affordable single family homes, or 20% of all for-sale units.

Princeton Lakes TAD: The enabling legislation did not set forth an affordable housing requirement for this TAD. Approximately 51% (341 homes) of the homes have been sold to date for less than \$200,000, making them affordable to Atlantans earning up to 80% of the area median income. Upon completion of all phases, it is projected that approximately half of the homes (350 homes) will have initial sales prices under \$200,000.

Westside TAD: This TAD does not contain an affordable housing requirement. Instead, 20% of all bond proceeds are dedicated to the Neighborhood Fund to support the redevelopment of Vine City and English Avenue. Approved projects have produced 220 affordable units to date, representing 38% of the total units financed with Westside TAD funds.

ATTACHMENT A

Status of Approved Residential Projects

Project	Units Planned	Units Under Construction	Units Under Contract	Units Closed/ Rented	Total Units	
Eastside						
	Affordable	0	0	18	46	104
	Market Rate	0	0	7	188	413
TWELVE		0	0	25	234	517
	Affordable	0	0	1	18	26
	Market Rate	0	0	0	52	104
The Reynolds		0	0	1	70	130
	Affordable	0	0	0	6	13
	Market Rate	0	0	0	1	52
Oakland Park		0	0	0	7	65
	Affordable	0	0	10	2	32
	Market Rate	0	0	29	7	0
Renaissance Walk		0	0	39	9	32
	Affordable	0	0	6	13	29
	Market Rate	0	0	3	47	118
Tribute Lofts		0	0	9	60	147
	Affordable	260	0	N/A	201	514
	Market Rate	176	0	N/A	86	343
Capitol Gateway		436	0	0	287	857
	Total Affordable	260	0	35	286	718
	Total Market Rate	176	0	39	381	1030
	TOTAL	436	0	74	667	1748
Westside						
	Affordable	N/A	N/A	N/A	N/A	0
	Market Rate	0	40	3	29	210
Historic Westside Village		0	40	3	29	210
	Affordable	0	0	0	194	194
	Market Rate	0	0	0	67	67
Gateway Apartments		0	0	0	261	261
	Affordable	0	0	0	26	26
	Market Rate	0	0	0	75	75
Centennial House		0	0	0	101	101
	Affordable	N/A	N/A	N/A	N/A	0
	Market Rate	0	0	0	167	167
Museum Tower		0	0	0	167	167

	Affordable	N/A	N/A	N/A	N/A	0
	Market Rate	0	0	0	49	49
123 Luckie		0	0	0	167	49
	Total Affordable	0	0	0	220	220*
	Total Market Rate	0	40	3	387	568
	TOTAL	0	40	3	607	788

Atlantic Station						
	Affordable	160	0	N/A	241	401
	Market Rate	750	401	N/A	1,111	2,262
Condominiums		910	401	0	1352	2663
	Affordable	0	0	N/A	427	427
	Market Rate	0	0	N/A	303	303
Apartments		0	0	0	730	730
	Affordable	N/A	N/A	N/A	N/A	N/A
	Market Rate	0	84	0	102	186
Single Family/Townhomes		0	84	0	102	186
	Total Affordable	160	0	0	668	828*
	Total Market Rate	750	485	0	1516	2751
	TOTAL	910	485	0	2,184	3,579

Princeton Lakes						
	Affordable	N/A	N/A	N/A	N/A	N/A
	Market Rate	0	0	0	329	350
Apartments		0	0	0	329	350
	Affordable	N/A	N/A	N/A	N/A	N/A
	Market Rate	391	14	78	665	1148
Single Family/Townhomes		391	14	78	665	1148
	Total Affordable	0	0	0	0	0*
	Total Market Rate	391	14	78	994	1503
	TOTAL	391	14	78	994	1,503

ATTACHMENT B

Approved TAD Projects

Project	Location	Developer	Housing			Hotel	Structured	TAD Funding	Project Cost	Completion
			Units	Retail SF	Office SF	Rooms	Parking			
Eastside (2005 Bond Issue)										
TWELVE	400 W. Peachtree Street	Novare Group	517	20,600	12,900	102	863	\$11,000,000	\$122,575,000	2007
The Reynolds	565 Peachtree Street	Urban Realty Partners	130	15,000	0	0	285	\$4,300,000	\$34,200,000	2006
Oakland Park	563 Memorial Drive	Urban Realty Partners	65	6,375	0	0	143	\$1,800,000	\$16,170,000	2007
Renaissance Walk	177-205 Auburn Avenue	Integral Real Estate Group &	160	27,000	0	0	318	\$4,000,000	\$48,492,441	2007
Capitol Gateway	90 Memorial Drive	Trammell Crow Residential,	857	43,000	0	0	surface	\$5,300,000	\$115,000,000	2010
Tribute Lofts	480 John Wesley Dobbs	InVision Group	147	7,110	0	0	246	\$3,200,000	\$32,224,084	2007
30 Allen Plaza	30 Ivan Allen Jr. Boulevard	Barry Real Estate	0	10,127	252,887	0	582	\$2,300,000	\$41,387,995	2005
<i>Total</i>			<i>1,876</i>	<i>129,212</i>	<i>265,787</i>	<i>102</i>	<i>2,437</i>	<i>\$31,900,000</i>	<i>\$410,049,520</i>	
Westside (2001 Bond Issue)										
Gateway Apartments	370 Northside Drive	Northside Village Development	261	8,000	0	0	360	\$422,575	\$16,781,045	2005
Centennial House	115 W Peachtree Place	Novare & ANDP	101	3,000	0	0	142	\$5,800,000	\$53,760,876	2002
Museum Tower	285 Centennial Olympic Park Drive	Harold A. Dawson Co.,	167	30,000	0	0		\$480,000	\$12,764,550	2002
123 Luckie	123 Luckie Street	Center City Housing Corporatio	49	3,600	0	0		\$1,225,000	\$29,037,000	2000
Northyards	North Avenue & Northside Drive	Northyards Partners LLC	0	0	250,000	0	0	\$1,900,000	\$16,781,045	2001
Historic Westside Village	825 and 831 MLK Jr. Drive	Historic Westside Partners	0	35,000	0	0	0	\$11,899,576	\$157,927,755	2001
<i>Total</i>			<i>578</i>	<i>79,600</i>	<i>250,000</i>	<i>0</i>	<i>502</i>	<i>\$21,727,151</i>	<i>\$287,052,271</i>	
Westside (2005 Bond Issue)										
World of Coke	Pemberton Place	Coca-Cola Company	0	83,000	0	0	500	\$1,500,000	\$20,945,698	2007
55 Allen Plaza	55 Ivan Allen Jr. Boulevard	Barry Real Estate	0	23,220	322,970	0	772	\$0	\$0	2007
Marietta Place	300 Marietta Street	Legacy Property Group	0	36,874	0	0	existing	\$4,400,000	\$88,500,000	2007
The Ellis	176 Peachtree Street	RD Management	0	1,200	0	127	existing	\$5,400,000	\$64,026,561	2007
Park Pavilion	311 Marietta Street	Legacy Property Group	0	45,180	0	242	670	\$0	\$0	2008
The Glenn	120 Marietta Street	Legacy Property Group	0	5,000	0	110	existing	\$1,300,000	\$7,928,604	2006
Historic Westside Village	825-831 MLK Jr. Drive	Trammell Crow Company &	210	0	0	0	293	\$3,000,000	\$25,866,933	2008
<i>Total</i>			<i>210</i>	<i>194,474</i>	<i>322,970</i>	<i>479</i>	<i>2,235</i>	<i>\$15,600,000</i>	<i>\$207,267,796</i>	
Atlantic Station (2001 & 2006 Bond Issues)										
<i>Total</i>			<i>3,579</i>	<i>1,327,000</i>	<i>1,018,787</i>	<i>101</i>	<i>22,300</i>	<i>\$0</i>	<i>\$2,000,000,000</i>	<i>2010</i>
Princeton Lakes (2006 Bond Issue)										
Mixed-Use	Camp Creek Parkway	Princeton Lakes Partners LLC	654	460,767	92,000	0	surface	\$10,500,000	\$163,759,336	2008
Single-Family	Camp Creek Parkway	Pulte Homes Corporation	849	0	0	0	0	\$17,900,000	\$308,759,336	2008
<i>Total</i>			<i>1,503</i>	<i>460,767</i>	<i>92,000</i>	<i>0</i>	<i>0</i>	<i>28,400,000</i>	<i>472,518,672</i>	