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

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

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SUBJECT: TAX ALLOCATION DISTRICT QUARTERLY REPORT: 2ND QUARTER 2005

DATE: 8/30/2005

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EXECUTIVE SUMMARY

Great news! Eastside TAD bonds were issued in early August, marking the first TAD bond issue in the City of Atlanta since 2001. Westside TAD bond issuance is anticipated in the fall, followed by Princeton Lakes prior to year end. Bond amounts for these TADs have yet to be finalized, but funding has been approved for 8 projects in the Westside. Two projects in Princeton Lakes are also anticipated to receive support. Construction, leasing and sales at Atlantic Station and West Highlands in the Perry-Bolton TAD continue.

EASTSIDE TAD

The City's third ever TAD bond issue, the 2005 Eastside TAD bond, closed on August 2nd. This package totaled approximately \$48 million and will provide funding for 8 projects. A \$3.5 million allocation will be used for parks and greenspace.

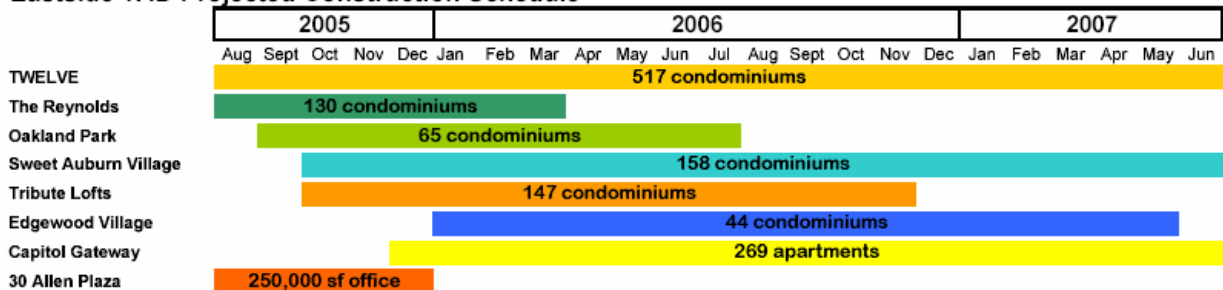


The Reynolds

Under Construction: Two projects slated to receive TAD funds are already well underway: The Reynolds and 30 Allen Plaza.

- 30 Allen Plaza is 89% leased overall. Southern Company, the building's anchor tenant, will occupy 85% of the space. Tenants are expected to move-in by January.
- The Reynolds is one of 6 condominium projects being developed with TAD support. The project, located at 565 Peachtree Street in the SoNo district, will include 130 one and two bedroom units as well as street-level retail. The project will be ready for residents to begin moving in next spring.

Eastside TAD Projected Construction Schedule



Affordable Housing: All residential projects receiving Eastside TAD support will include affordable housing targeted to homeowners earning up to 80% of the area median income (AMI) or renters earning up to 60% of AMI.

- Thirty-eight percent (38%) of the units (over 200 condominium units and over 500 apartments*) are affordable. This is nearly double the target of 20% contained in the TAD legislation.
- A family of three with a household income of \$51,250 can purchase a two-bedroom condominium unit for only \$155,000. This is almost 40% below the average market value of \$250,000.
- An approved entity will hold a non-interest bearing second mortgage on all of the affordable units for the difference between the market value and the affordable sales price. Upon sale, this second mortgage will be repaid by the homeowner and reinvested in additional affordable units.
- To perpetuate the sustainability of the program, funds generated from mortgage repayment will be used to subsidize the creation of additional affordable housing throughout the Eastside TAD.

Parks and Greenspace: The bond issue has also generated \$3.5 million for parks and greenspace. ADA and the Green Team (the City’s parks acquisition team) are currently working to identify the priority areas for greenspace acquisition and park improvements.

WESTSIDE TAD

The next bond issuance for the Westside TAD is anticipated for the fall of 2005. Projects have been approved by the Community Advisory Boards, the ADA Board and most recently, City Council. These projects have the potential of adding approximately 345 hotel rooms, 320,000 square feet of office space, almost 230,000 square feet of retail and entertainment space, 400 condominiums and much needed structured parking. Furthermore, over \$5 million will be allocated to the Westside TAD Neighborhood Fund for investment in the English Avenue and Vine City neighborhoods.

WESTSIDE TAD APPROVED PROJECTS

Project	Developer	Project Size	Total Project Cost	TAD Funding
Centennial East	Integral Real Estate Group	200 condominiums 31,200 sf retail	\$40,562,100	\$4,700,000
55 Allen Plaza	Barry Real Estate	323,000 sf office 23,220 sf retail	\$78,042,300	\$5,400,000
Historic Westside Village	Trammell Crow and H.J. Russell	206 condos/townhomes 36,900 sf retail	\$34,674,200	\$4,100,000
Marietta Place	Legacy Property Group	515 spaces	\$11,310,000	\$1,300,000
Park Pavilion	Legacy Property Group	108 hotel rooms; 515 spaces; 39,300 sf retail	\$38,152,000	\$2,400,000
The Glenn Boutique Hotel	Legacy Property Group	110 hotel rooms 5,000 sf retail	\$20,900,000	\$1,500,000
Wincoff Hotel	Jay Furman	127 hotel rooms 10,000 sf retail	\$20,528,000	\$1,300,000
World of Coke	The Coca-Cola Company	83,000 sf 500 spaces	\$96,400,000	\$5,400,000
Subtotal			\$340,568,600	\$26,100,000

* Upon build-out of all phases of Capitol Gateway.

Under Construction: Three projects approved to receive TAD funds have broken ground: The Glenn Hotel, 55 Allen Plaza and the World of Coca-Cola.

- Construction on the Glenn Hotel began in the spring and is projected to be completed by the end of the year. The 10-story building is currently being converted by Legacy Properties from a historic office building into Downtown Atlanta's first modern boutique hotel. The 110-room hotel will feature a signature 3-story restaurant with roof-top lounge and sweeping views of Centennial Olympic Park and the Downtown skyline. The developers will also be adhering to historic architectural guidelines set forth by the National Park Service in the renovation of the property.
- The ground breaking ceremony was held for 55 Allen Plaza, part of Barry Real Estate's Allen Plaza complex, on April 26. Ernst & Young has signed on as the building's anchor tenant and will occupy 42% of the building. The 13-story class-A office building is scheduled for delivery in spring 2007.
- The Coca-Cola Company has broken ground on the new 83,000 square foot World of Coca-Cola. The museum will feature enhanced interactive exhibits that showcase the Coca-Cola Company's worldwide beverages and will be surrounded by a plaza and a 2.8-acre park which will be integrated into Centennial Olympic Park. Opening is projected for spring 2007.

PRINCETON LAKES TAD

Southwest Atlanta is in the midst of a long-awaited building boom. The Princeton Lakes TAD is being developed by two teams: Princeton Lakes Partners, LLC and Pulte Homes. Princeton Lakes Partners, as the master developer of the mixed-use/commercial portion of the TAD, is responsible for site preparation and installation of infrastructure. Individual parcels have already been sold to developers, including North American Properties, Worthy and Ackerman. North American Properties recently broke ground on Camp Creek Marketplace II and Publix Center. This development will bring popular national retailers to the area including:

- Publix
- American Signature Furniture
- DSW
- Circuit City
- LA Fitness sports club

The mixed-use portion of the Princeton Lakes TAD will also include 90,000 square feet of medical office space, over 300 townhomes, 350 apartments, a day care center and several other shops and restaurants.

Pulte Homes' single-family residential development is also under construction and will eventually include almost 850 single-family homes. The project is comprised of several unique neighborhoods including: Deerwood Reserve, Enclave at Princeton Lakes, Estates at Princeton Lakes, Glen at Princeton Lakes, Park at Princeton Lakes and Regency at Princeton Lakes. Each community will feature different lot sizes and price points, ranging from \$120,000 to over \$360,000.



Claremont II



Kent

We anticipate issuing bonds to support development in the Princeton Lakes TAD by the end of 2005.

PERRY-BOLTON TAD

The Perry-Bolton TAD was approved in December 2002. This TAD was created in part to help finance the redevelopment of the former Perry Homes Housing project. Like the Atlanta Housing Authority's previous HOPE VI projects, Perry Homes is being converted into a mixed-income, mixed-use development. Construction is well underway on the West Highlands development, located on the former Perry Homes site. Developed by Perry Homes Redevelopment LLC, a partnership of Columbia Residential, Brock Built, and Perry Golf Development, and sponsored by the Atlanta Housing Authority, the project will be built-out in four phases of construction.

Phases I, IIA, IIB of the multi-family development have been completed. These projects have added a total of 410 rental units, of which 132 units are set aside for seniors. Phase III, Columbia Crest, is currently under construction and slated to be completed in December 2005. This project will include an additional 152 apartments as well as street-level retail. In all, 56% of the multi-family units will be affordable. Phase I of the single-family development is underway. Twenty-four homes have been completed and sold. An astounding 16 of the 21 available lots have already been reserved for the next phase of construction. Of these, 8 homes have been set-aside for low-income homeowners. As planned, the project will eventually include 55,000 square feet of retail space, a YMCA, a library, school, golf course, and several parks and trails.

Applications are currently being accepted for Perry Bolton TAD funding. The timeline for the first bond issue has been extended, providing an opportunity to open the application process to developers seeking funding for additional projects within the TAD. This will allow for the inclusion of a diverse group of projects in the bond issue, further promoting economic development throughout Northwest Atlanta. The application deadline has been set for September 30th. Bond issuance is expected to occur in early to mid-2006.

ATLANTIC STATION TAD

The Atlantic Steel tax allocation district is a project-oriented TAD created specifically to finance the infrastructure needs of the Atlantic Station mixed-use development on the former site of the Atlantic Steel Company.

Under Construction: Currently, there are a considerable number of projects under construction on the site.

- Several national and local retailers have been announced as tenants in the 811,000 square foot retail and entertainment center, scheduled to open on October 20th, including Target, Dillard's, Publix, Regal Theater, and a variety of restaurants. The Atlantic Station Retailers, in partnership with the Atlanta Workforce Development Agency, will be hosting a career fair on September 10th

- and 17th to recruit several thousand part-time and full-time employees for a variety of the retail/entertainment district tenants.
- Novare Group and Wood Partners' 404-unit residential and 101-room hotel tower, TWELVE Atlantic Station, have begun sales and is scheduled for completion by year-end.
 - Element and ATL Lofts, Lane Company's newest condominium developments, are currently under construction and will be ready for occupancy before year-end.

Both the ADA Board and City Council have approved an additional bond issue for the Atlantic Station project. Following final negotiation of the Development Agreement, additional bonds will be issued to reimburse the developer for already expended infrastructure costs.