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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

FROM: CHERYL STRICKLAND, MANAGING DIRECTOR, TAX ALLOCATION DISTRICTS

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SUBJECT: TAX ALLOCATION DISTRICT QUARTERLY REPORT: 3RD QUARTER 2005

DATE: 11/10/2005

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EXECUTIVE SUMMARY

The 2005 Westside TAD bond issue is anticipated prior to year end, and a bond issuance in support of the Princeton Lakes TAD may occur later this year or early next year. Eight projects in the Westside and two projects in Princeton Lakes are anticipated to receive support. Several projects are under construction in the Eastside TAD, with sales in two condominium projects underway. Construction, leasing and sales at Atlantic Station and West Highlands in the Perry-Bolton TAD continue.

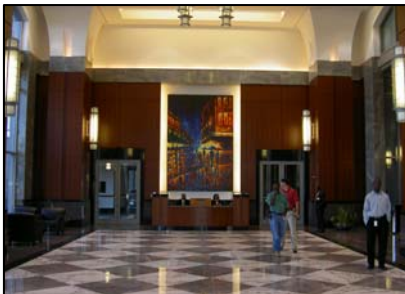
EASTSIDE TAD

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.

Under Construction: Three residential projects slated to receive TAD funds are currently under construction: The Reynolds, TWELVE Centennial Park and Capitol Gateway.



TWELVE Groundbreaking



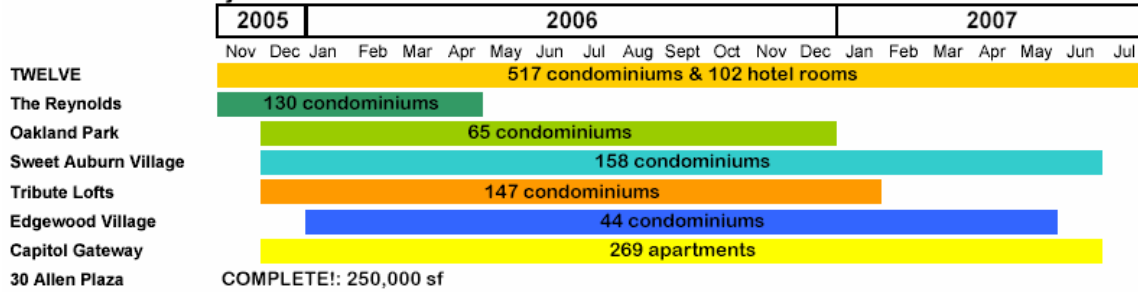
30 Allen Plaza Lobby

- Thus far, 42 of the 130 units in The Reynolds are reserved or under contract. The project will be ready for residents to begin moving in next spring. For more information, please visit www.reynoldsonpeachtree.com
- A groundbreaking ceremony was held for TWELVE Centennial Park on October 31st. Unit sales are scheduled to commence in the 1st quarter of 2006 with completion anticipated in July 2007. For more information, please visit www.twelvecentennialpark.com
- The Capitol Gateway apartments recently broke ground. Phase I of the project is scheduled to be completed in June 2007.

Completed: 30 Allen Plaza was awarded its base building certificate of occupancy in early October, nearly one month ahead of schedule. The building is currently 92% leased.

Affordable Housing: 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% of units will be affordable, nearly double the target. Thus far, 16 of the 26 affordable units at The Reynolds and 6 of the 32 affordable units in Renaissance Walk at Sweet Auburn are under reservation.

Eastside TAD Projected Construction Schedule



WESTSIDE TAD

The next bond issuance for the Westside TAD is anticipated by year-end. Together these eight projects will add approximately 480 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.

Westside TAD Neighborhood Fund: We are very pleased about a near-term opportunity to make a very tangible difference in two of our challenged communities. Twenty percent (20%) of the Westside TAD bond proceeds generated by downtown projects, approximately \$14 million, will be deposited into the Westside TAD Neighborhood Fund. The Neighborhood Fund was established in the City’s legislation to help promote redevelopment in the Vine City and English Avenue Neighborhoods. In order to promote more equitable redevelopment across the TAD, the Westside Redevelopment Plan provided the Neighborhood area with an additional funding source, the Westside TAD Neighborhood Fund. Capital improvement projects eligible to receive funding support may include housing rehabilitation for seniors and low-income residents, commercial district revitalization and parks and streetscape improvements.

The Westside TAD Neighborhood Advisory Board, in partnership with the community and ADA, has established a set of policies which will govern the allocation of the Neighborhood Funds. These policies were approved by the ADA Board of Directors in October. Projects applying for monies from the Neighborhood Fund must be in compliance with both the Westside Redevelopment Plan and the Neighborhood Fund Policies. A request for proposals will be posted following the issuance of bonds, after which applications will be accepted for 90 days.



The Glenn Boutique Hotel

Under Construction: Three projects approved to receive Westside TAD funds are currently under construction: The Glenn Hotel, 55 Allen Plaza and the World of Coca-Cola.

Affordable Housing: While this TAD does not contain an express affordable housing requirement, we have produced 220 units to date, representing 38% of the total units financed with Westside TAD funds. Two projects that received funding from the 2001 Westside TAD Bond Issue include an affordable housing component. Gateway Apartments at Northside Village has set aside 75% of units for people earning a maximum of 60% AMI. Twenty-six condominiums were made available to moderate income individuals at Centennial House through a partnership between the developer and ANDP.

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.

Mixed-Use: 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. The planned properties of Princeton Lakes TAD will add approximately **460,000 new square feet** of retail space, and will provide easy access to goods and services. This development will bring the following popular national anchor retailers to the area:

- Publix
- American Signature Furniture
- DSW
- Circuit City
- LA Fitness sports club
- Other committed retailers include: Mama Fu's Asian House, Starbucks, Subway, America's Best Contacts and Eyeglasses, Hollywood Video and Bruster's Real Ice Cream.

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.

Residential: Pulte Homes' single-family residential



Retail Under Construction



Apartments Under Construction



Single-Family Home Under Construction

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. To date, 132 single-family homes are under contract and 6 have been reserved. The sales prices for these homes range from the low \$140,000s in the Regency at Princeton Lakes to over \$300,000 for a home in the Estates at Princeton Lakes.

Affordable Housing: Although the enabling legislation did not set forth an explicit affordable housing requirement for this TAD, over 75% 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 will have initial sales prices under \$200,000.

We anticipate issuing bonds to support development in the Princeton Lakes TAD by the end of 2005 or early 2006.

PERRY-BOLTON TAD

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.



Columbia Park Citi

Phases I and II 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 or January. This project will include an additional 152 apartments as well as street-level retail. Phase I of the single-family development is also underway. Twenty-four homes have been completed and sold with 33 more lots available in the next phase of construction. 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.

Affordable Housing: In all, 56% of the multi-family units will be affordable. Thus far, 8 of the single-family homes have been set-aside for low-income homeowners. Upon completion, the project will include approximately 240 affordable single family homes, or 20% of all for-sale units.

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. Bond issuance is expected in 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.

Grand Opening: Atlantic Station officially opened its doors to the public on October 20th. The well-attended grand opening weekend featured fireworks, concerts, prize giveaways, and many other family-oriented activities.

- Stores include: Dillard's, Publix, American Eagle Outfitters, Ann Taylor Loft, Banana Republic, Bath & Body Works, Chaplin's Jewelry, City Sports, DSW, Express/Express Men, Gap, Guess?, Jos. A. Bank, Old Navy, Pier 1 Imports, Taste Clothing Boutique, Victoria's Secret, West Elm, White House Black Market, Wolf Camera and Z Gallerie.
- Several restaurants have also opened including: California Pizza Kitchen, Tahitian Noni Café and Fox Sports Grill, with several others slated to start serving by year-end including: The Grape, Rosa Mexicano and Strip.
- Novare Group and Wood Partners' 404-unit residential and 101-room hotel tower, TWELVE Atlantic Station, is over 96% under contract with residents scheduled to move-in beginning in December.
- Element, ATL Lofts and Icon, Lane Company's newest residential developments, are currently under construction and will be ready for occupancy before year-end.



Publix and TWELVE



Shops on 18th Street

Affordable Housing: The Developer has set a goal to provide 20% of all residential units to families earning up to 80% AMI. To date, 47 apartments have been set aside for people earning up to 50% AMI, with 49 more under construction.

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.