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First BeltLine Bonds Sold

On October 31, the City of Atlanta closed on a private placement of BeltLine Tax Allocation District (TAD) bonds worth \$64.5 million, slightly more than half (54 percent) of the original bond authorization approved by City Council in August 2008. Two local institutions, Wachovia Bank and SunTrust Bank, each purchased \$32.25 million in bonds.

Consistent with the City Council-approved bond allocation, fifteen percent of the net proceeds, approximately \$8.8 million, will capitalize the BeltLine Affordable Housing Trust Fund, and another portion will be allocated to the Economic Development Fund. The remainder of the net proceeds will cover transit-related property acquisitions, including the full repayment of the debt on the Northeast Corridor property, working capital and bond issuance expenses.

"This is yet another milestone for the BeltLine which will preserve and add to the project's momentum," said Terri Y. Montague, president and CEO of Atlanta BeltLine, Inc.

"We are grateful that Wachovia and SunTrust, two longtime financial partners of the City of Atlanta, have demonstrated their confidence in the BeltLine by investing in these bonds," said Valarie Wilson, executive director of the BeltLine Partnership. "We are also thankful for the City Council's crucial and continued support for this historic and visionary project."

The bond financing includes a provision to refinance the bonds on or after July 1, 2009. The city plans to issue the remainder of the \$120 million bond authorization at the time of the subsequent bond refinancing or when market conditions become more favorable.

While the Atlanta City Council initially approved a bond sale of \$120 million for the BeltLine TAD in August 2008, the global financial crisis and the lack of activity in the municipal bond market delayed the city's ability to issue these bonds, along with several other bond sales. By proceeding with a smaller bond sale at this time, the project met the deadline of October 31 to finalize the acquisition of the Northeast Corridor property. It also satisfied a provision of the Fulton County Consent Resolution, which mandates that BeltLine TAD bonds must be issued before the end of 2008 to ensure Fulton County's participation in the TAD.

The Atlanta BeltLine is a \$2.8-billion redevelopment project that will shape the way Atlanta grows over the next 25 years and beyond. The project proposes a network of public parks, multi-use trails and transit along a historic 22-mile railroad corridor circling downtown and connecting many neighborhoods directly to each other by streetcar or light rail. The BeltLine is the most comprehensive economic development effort ever undertaken in the City of Atlanta and the largest, most wide-ranging urban redevelopment currently underway in the United States.

For more information about the BeltLine, visit www.beltline.org.

The Global Financial Crisis and its Impact on Atlanta's Infrastructure - Mayor Shirley Franklin



As the country grapples with a financial crisis and election-year politics dominate media coverage, it's important to realize that much more is at stake than just Wall Street and Main Street. Our cities' streets and our country's infrastructure are suffering from decades of under-funding, and the current crisis is compounding the problem. Just as the federal government needed to take action to rescue our financial system, it now must act to rescue our cities. There is more at risk than bricks and mortar. Thousands, possibly millions, of jobs hang in the balance.

In September alone, Georgia lost 22,300 jobs. Only Michigan, the hub of the ailing auto industry, fared worse. The City of Atlanta's revenue has been trending downward since the first of the year, while the cost of consumables and the demand for services has increased. Without bond funds, Atlanta's infrastructure projects will slow, grind to a halt or be abandoned altogether, resulting in an even higher unemployment rate and crippling workers who are toiling to support their families. We are a "can do" city that can't do unless we get federal help.

As mayor of Atlanta, I can tell a story that is familiar to cities all over the United States. Atlanta's water and sewer infrastructure, like its roads and bridges, have suffered from lack of investment spanning several decades. Since 2002, the problems have begun to be addressed. My administration has made infrastructure investments a priority, from parks, clean water and sewer systems to roads and sidewalks. Unfortunately, the current global financial crisis is slowing progress. With capital scarce and bond markets in turmoil, a serious cash infusion to cities and states is needed to support infrastructure projects.

Atlanta has more than \$2 billion in infrastructure and development bond deals that are unable to move forward because of the global financial crisis. The projects that are immediately compromised include the airport, water and sewer rehab, parks and greenspace improvements and acquisitions, the Atlanta BeltLine Project, the Center for Civil and Human Rights and a number of in-town development projects that rely on tax increment financing.

Hartsfield-Jackson Atlanta International is the world's busiest airport, serving nearly 90 million passengers annually. The smooth functioning of the entire U.S. aviation system hinges on our airport's ability to operate efficiently. The airport needs capital on a regular basis to keep its runways and terminals in peak form and to continue expanding to meet passenger demand. With construction already underway on projects such as the consolidated rental car facility and a variety of terminal improvements, 2,800 construction jobs would disappear if access to capital is constrained.

Atlanta's water and sewer systems, currently undergoing a court-mandated overhaul, will suffer as well. Already hit by declining revenues as a result of conservation efforts undertaken in response to a record drought in Georgia, the \$4 billion Clean Water Atlanta program is now faced with the prospect of an unfriendly bond market and the loss of \$60 million in tax-exempt commercial paper. Nothing is more important to growth and development than a reliable and clean drinking water supply and environmentally sound sewer systems. In testimony before Congress this year, the American Society of Civil Engineers estimated that the gap between what is available to maintain and operate our nation's water and sewer systems and what is needed is \$534 billion annually.

Also on hold is a \$30 million bond for greenspace acquisition and vital infrastructure improvements of Atlanta's city owned parks.

Fortunately, the Atlanta BeltLine Project, one of the most ambitious smart-growth projects nationwide, has just received its first major capital infusion. The first bond issue had been delayed because of the credit crisis and rising interest rates, but came through at the end of October. Over the next 25 years, the project is estimated to generate 30,000 permanent and 48,000 temporary jobs. The BeltLine project is already in progress with funding from other private and philanthropic organizations, but the capital from this and future bond issues is a necessity. Bond funds are a stable revenue stream that will be integral to the long-term success of the project.

Similar situations will play out across the country if the federal government doesn't allocate some money to states and cities as part of its rescue package. There will be revenue losses, layoffs, and a backlog of incomplete and pending infrastructure projects.

Atlanta and many other cities around the country will lose their edge in the global competition for business. While infrastructure projects are rarely top of mind for the media and the general public, they generate jobs and make cities attractive destination to businesses, residents and visitors. Cities are the driving engine of our national economy – we cannot let them stall. By investing in local governments, the federal government can help our economy grow its way out of this crisis.

Georgia Voters Say 'Yes' to TADs

On November 4, the voters of Georgia affirmed tax allocation districts as a tool for local jurisdictions to attract economic development in the state of Georgia. In supporting Amendment 2 to the Georgia Constitution, which passed with 51.5 percent of the vote, Georgians moved forward in preserving a school district's option to participate in TADs in Georgia. The next step in the process will be asking the Georgia General Assembly to re-enact the Georgia Redevelopment Powers Law in the next legislative session.

Support for the use of TADs in community redevelopment came from voters not just in metro Atlanta, but from all across the state, in places such as Albany, Valdosta, Savannah, Augusta, Columbus and Macon. This vote isn't the first time Georgia's voters have championed community redevelopment. Seventy-one percent of Georgians backed the use of TADs through their support of the Georgia Redevelopment Powers Law, enacted in 1985. This legislation was enacted with the intent of allowing cities, counties and schools to invest future tax revenue for redevelopment purposes.

TADs are a national best practice. Atlanta's first TAD was created in 1992 around what is now Centennial Olympic Park. This tool has since helped finance Atlantic Station and the renovation of the Ellis Hotel, and revitalized the areas around CNN Center, Georgia State University and Auburn Avenue. Camp Creek Marketplace, just west of Hartsfield-Jackson Atlanta International Airport, would not have been possible without public financial support of new infrastructure for commercial development and residential subdivisions in Princeton Lakes.

It is expected that with the re-enactment of the Redevelopment Powers Law, TADs can be restored to their full effectiveness, as before the Georgia Supreme Court ruling in February 2008 that prohibited school district participation. Redevelopment in areas suffering from disinvestment will once again be within reach. Atlantans will experience the many benefits of TADs through the creation of more walkable urban places, more affordable housing options and an improved and sustainable quality of life in these areas. The local economy will receive a boost from the jobs created and investment attracted by the TADs. Perhaps most important, Atlanta Public Schools and families with school-age children will see the neighborhoods and schools within and near the tax districts improve and stabilize.

For more information about TADs in Atlanta, visit www.atlantada.com.

Neighborhood of the Month: Piedmont Heights



Atlanta's Piedmont Heights neighborhood dates back to as early as 1912, according to Fulton County tax records. Nestled between Ansley Park and Morningside near Piedmont Park, this area was once considered to be on the outskirts of town; but bounded by Piedmont Road to the east, Monroe Drive to the south, Flagler Avenue to the west and Piedmont Circle to the north, Piedmont Heights is an ideal in-town location.

"I call us the crossroads of civilization, like Mesopotamia, says Susan Kanellos, longtime resident and Piedmont Heights Civic Association board member. "If you live in Virginia-Highland or Morningside, chances are you drive through our neighborhood. We've got a lot of the amenities of living in a big city, but it's also a pretty quiet neighborhood too."

The PHCA was formed in 1956, after I-85 was built alongside the neighborhood. A group of residents formed the organization to protect the vitality and beauty of their area from rampant rezoning and commercial development. Today the community has a lively mix of homes, apartments, restaurants, grocery stores, banks and retail, including Ansley Mall. With everything from efficiency apartments to single-family homes and condos to cluster houses, the area also has a healthy mix of incomes supporting it.

"Piedmont Heights is an ideal neighborhood because it has some of just about everything," says Elaine Murphy, another PHCA board member and resident since 1980. "A mixture of ages and kinds of families, a mixture of housing, access to shopping and transportation, churches and schools, good neighbors, and a strong neighborhood association."

It's also a very active community. This year, the PHCA started a neighborhood diners group; residents are working to revitalize Gotham Park, a project for which they received a matching grant from Park Pride; and, this month, the neighborhood will mark the 50th anniversary of its fire station with a celebration. The neighborhood of nearly 1,600 households is also very close to two important development projects in the city: the Northwoods expansion of Piedmont Park and the proposed Atlanta BeltLine which will enhance the area's already enviable transportation connectivity.

"[Piedmont Heights] residents get involved for the benefit of the neighborhood and volunteer time, talents, professional expertise, and 'heavy lifting' of all types," Murphy says. "I can't imagine myself living anywhere else." For more information about Piedmont Heights, visit www.piedmontheights.org.

Upcoming Economic Development Events

BeltLine Bus Tours. Inman Park MARTA station, 9:30 a.m., Fridays and Saturdays weekly. Free. Register for the tour at <http://www.beltline.org/GetInvolved/TourtheBeltLine/tabid/1746/Default.aspx>

November 19, **Robinson College of Business Economic Forecasting Conference: "Financial Turmoil and Regional Growth Prospects."** 8 a.m.-12 p.m. in Speakers Auditorium, Georgia State University. \$200. For more information call (404) 413-7260 or e-mail efc@gsu.edu.

November 20, **Atlanta Regional Commission 2008 "State of the Region" Breakfast.** 7-9:30 a.m., Hyatt Regency Ballroom, 265 Peachtree Street. Tickets \$60. Register online at www.atlantaregional.com/breakfast.

December 3, **Small Business Monthly Information Session.** 5 p.m. at the offices of the Atlanta Development Authority. To RSVP, send an e-mail to cbrackett@atlantada.com or call (404) 614-8295.

December 5, **Metro Atlanta Chamber of Commerce 149th Annual Meeting.** Noon-1:30 p.m. at the Marriott Marquis, 265 Peachtree Center Ave. \$85 for members, \$100 for non-members. For more information call Katie Grosshans at (404) 586-8534 or e-mail events@macoc.com.

December 9, National Urban League Economic Empowerment Tour. 4-9 p.m. at the Marriott Marquis Hotel. The tour will focus on educating and connecting the metro Atlanta community to resources and information that will help close economic gaps. Career and resource fair and financial literacy and homeownership workshops from 4-7 p.m., town hall meeting from 7-9 p.m. For more information contact the Atlanta Urban League at (404) 659-1150. Register online at www.nul.org.



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