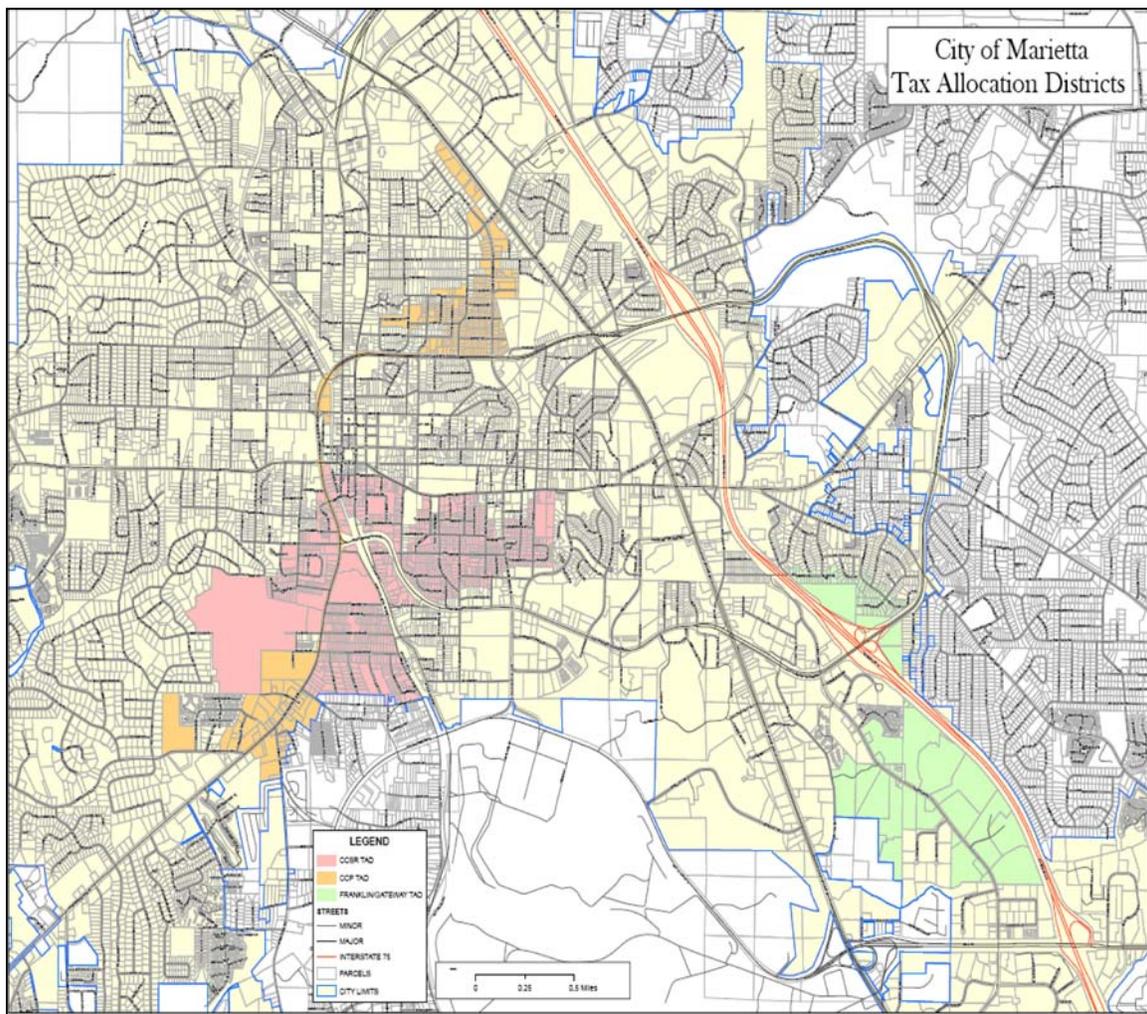




MARIETTA  
REDEVELOPMENT  
CORPORATION

## FISCAL YEAR 2007 ANNUAL REPORT



*Year Ending: June 30, 2007*

## ***Mission Statement***

*The principal mission of the Marietta Redevelopment Corporation is to strengthen the economic and residential base of the City by revitalizing neighborhoods, commercial areas and other distressed properties. The role of the MRC is to make strategic real estate investments in blighted areas, assemble properties for redevelopment where needed, and partner with the private sector to invest in our community.*

## Letter from Chairman

# Introduction

This document is the Annual Report of the Marietta Redevelopment Corporation for the Fiscal Year Ending June 30, 2007. This report is intended to comply with the reporting requirements of the Corporation’s Bylaws, as well as the City’s obligations under IGAs with Cobb County and the Marietta Board of Education. The report includes (1) a review of the MRC’s mission and structure, (2) an overview of the Corporation’s (and the City’s) vision and goals, (3) progress reports on MRC and City initiatives related to goals and objectives, (4) detailed descriptions and later a financial review of tax allocation districts, (5) status reports on redevelopment projects, (6) forecast of future redevelopment activities. The Appendix of the report includes financial statements pertaining to the Corporation and to City expenditures and revenues for the respective Tax Allocation District special funds.

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## Background

The Marietta Redevelopment Corporation (MRC), the redevelopment agency of the City of Marietta, is a tax-exempt corporation under Section 501(c)3 of the Internal Revenue Code. The MRC serves at the pleasure of the Marietta City Council who appoints the Officers and Directors of the Corporation. All responsibilities, functions and powers of the Corporation have been delegated to it by the City Council for the benefit of the community and its residents.

The purposes of the MRC are to strengthen the economic and residential base of the City of Marietta by revitalizing neighborhoods, commercial areas and other distressed properties. The MRC's primary roles are to advise the City Council on redevelopment matters, to facilitate efforts by the private sector to invest in the community, to make strategic real estate investments in blighted areas and to assemble properties for redevelopment where needed.

The MRC acts on the City's behalf to implement redevelopment plans and administer tax allocation districts (TADs) that have been formed to encourage redevelopment within blighted areas. The City has already created three such districts, which have been identified as the "Center City South Renaissance" (CCSR), "Center City Perimeter" and "Franklin-Gateway" TADs. The City, Marietta Board of Education and the County have either already consented or may decide in the future to pledge their respective shares of new tax revenues, or tax increment, within these respective TADs. As part of the intergovernmental agreements (IGAs) among the taxing jurisdictions, the City is obligated to provide an annual report of revenues, expenditures, fund encumbrances and overall progress made toward implementing these respective redevelopment plans.



## Corporate Structure

The Marietta Redevelopment Corporation was authorized by vote of the City Council and officially incorporated in February of 2003. The Corporation subsequently applied for Federal tax-exempt status and was officially recognized as tax exempt under Section 501(c)3 of the Internal Revenue Code in December 2004. The initial Board of Directors was formed during the Summer of 2003 and an Executive Director was hired in October of that year. A Redevelopment Project Manager was later added to the staff in 2004.

After several bylaw changes by the City Council, the MRC is now governed by a 14 member Board of Directors consisting of 12 voting Directors and 2 non-voting members. Mayor William B. Dunaway and Samuel S. Olens, Chairman of the Cobb County Commission serve as non-voting. In June of 2006, the City Council amended the MRC Bylaws to add the Chairman of the City Council Economic/Community Development Committee as a voting member. The remaining voting Directors are appointed for two-year terms and the Chairman and Vice Chairman are appointed annually by the City Council. As of June 2007 the Board of Directors consisted of the following members:

<u>Voting Directors</u>	<u>Term Expires</u>
*Floyd Northcutt, Chairman	4/10/2009
*Micky Blackwell, Vice Chairman	4/10/2009
**Terry Lee, Treasurer	4/10/2008
***Griffin Chalfant	No exp.
****Tom Alan Smith	4/10/2009
Ray Buday	4/10/2008
Marcelle David	4/10/2008
Ron Francis	4/10/2008
Wardlyn Bassler	4/10/2009
Clint Mays	4/10/2008
Scott Condra	4/10/2009
John Schupp	4/10/2009

<u>Nonvoting Directors</u>	
William B. Dunaway	No exp.
Samuel S. Olens	No exp.

- \* Officers appointed by the City Council
- \*\* The Treasurer is elected by the Board of Directors
- \*\*\* Chairman of the Marietta City Council Economic/Community Development Committee
- \*\*\*\* Member of the Marietta Board of Education.

Marietta’s City Manager and Director of Development Services, the County Manager and the Superintendent of the Marietta City Schools also serve as non-voting, Ex-Officio members of the Corporation. The MRC Bylaws thus provide representation to elected officials and staff of all three taxing jurisdictions that contribute increment to the City’s tax allocation districts. MRC meetings conform to and are governed by the Georgia Open Meetings Act.

## Goals and Vision

The MRC was created to assist the City Council in implementing its redevelopment vision for the community. The City’s vision evolves as progress is made through implementation of Marietta’s comprehensive redevelopment strategy. Economic market forces and changing community needs also influence the City’s vision and the resulting goals and priorities of the MRC. To support the vision of the “City We Want to Be”, the City Council has set specific housing and redevelopment goals and objectives. Several of these goals requiring specific action by the MRC are listed below.

### **From the City We Want to Be, Marietta City Council Vision Statement 2007**

*“Marietta offers housing for people of all ages, incomes, and ethnic backgrounds, so that generations of families can live within our city. We recognize the importance of homeownership and our vision is that a majority of our residences will be owner-occupied.”*

## Goals identified by City Council:

- *Attain owner occupancy in more than 50% of our homes by 2009.*
- *Support and secure funding for the Marietta Redevelopment Corporation to power the regeneration of the community. A portion of the newly created or renovated housing units will be reserved for low to moderate-income families.*
- *Convert portions of developed multi-family housing properties located on Franklin Road to new development.*
- *Continue to encourage more diverse housing units in the downtown area and encourage quality single-family detached housing throughout the city.*
- *Build 250 affordable first-time homebuyer units by 2010.*
- *Continue to educate residents and homebuyers to strengthen their ability to buy, retain and maintain their homes.*
- *Work with the Marietta Housing Authority, Cobb Housing Inc. and other agencies to redevelop and revitalize the Franklin Road, Roswell Street, Allgood and Powder Springs Road corridors as well as other areas of our city.*
- *Ensure safe housing for all residents.*
- *Rehab or replace 10% of city rental housing by 2010 – 1600 units.*

Goals identified by the City Council are achievable with continued support for redevelopment in Marietta. The MRC continues to target substandard rental property for redevelopment to provide infill sites for owner occupied housing. To achieve the City Council's goal for owner occupancy, additional projects must be identified within the next years. Successful redevelopment of multifamily housing on Franklin Road will contribute substantially toward achieving the goal. In addition, the City Council is currently in support of a redevelopment plan for a Marietta Housing Authority (MHA) redevelopment project that designates 30 percent of the projects 45 housing units as affordable. The Council has also supported the establishment of public sector employee homeownership programs and empowered the expansion of city Code Enforcement activity and the rehabilitation and replacement of substandard rental housing through efforts of the MRC, MHA, Cobb Housing, Inc. (CHI) and private developers.

In addition to the specific goals set by the City Council the MRC annually develops its own goals for the coming years. These are listed along with programs and initiatives established to achieve each goal. Goals, progress, descriptions of programs and initiatives and actions for the 2008 fiscal year are reviewed in greater detail on the following pages.

## Goals identified by the MRC Division:

1. *Successfully implement ongoing redevelopment projects and initiate new projects within the city's established Tax Allocation District.*
  - *Tax Allocation District Monitoring*
  - *Redevelopment Project Management*
2. *Establish additional tax allocation districts and pursue alternative strategies as needed to implement future redevelopment projects throughout the city.*
  - *The Marietta Fund for Neighborhood and Community Redevelopment*
  - *Community Development and Transportation Improvements Coordination*
3. *Develop internal market research and information necessary to enable the MRC and city to make sound real estate investment decisions and to insure the marketing success of ongoing and future redevelopment efforts.*
  - *Ongoing Market Research*
  - *Economic Development Marketing Campaign*
4. *Educate the public concerning the need for and benefits from public investment to promote successful redevelopment.*
  - *Education Initiatives and Activities*

## MRC Strategic GOAL 1

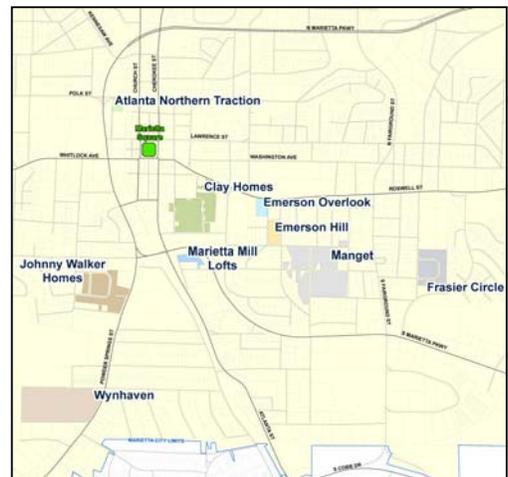
### **Successfully implement ongoing redevelopment projects and initiate new projects within the City's established Tax Allocation Districts**

During FY '07, the MRC continued work to ensure successful implementation of redevelopment projects in the Center City South Renaissance (CCSR) Tax Allocation District including Marietta Walk (formerly Johnny Walker Homes), Meeting Park (formerly Clay Homes) and Manget (formerly Frasier Street Apartments). While these projects have already been approved by City Council, site plans will continue to evolve in response to market changes and the MRC has a responsibility to ensure that these projects continue to move through the permitting process without significant delay. TAD funds for the Marietta Mill Lofts and Village at Frasier Park (Frasier Circle) projects were dispersed to Developers on an as completed basis requiring verification by MRC staff of project compliance with executed Development Agreements. All projects previously identified in the CCSR TAD are now in the site infrastructure and/or construction phase or completed.

In January of 2006, the MRC completed certification of the Center City Perimeter (CCP) TAD and solicited financing for a TAD bond to support the Wynhaven and Atlanta Northern Traction Co. building redevelopment projects. After receiving a proposal from Wachovia to finance a \$7.7 million TAD bond to support more than \$110 million dollars in redevelopment, the districts activities were placed on hold pending resolution of a lawsuit. The lawsuit challenged the rezoning of the Wynhaven Apartments and has successfully stalled potential redevelopment for more than 18 months. The redevelopment plan for the site, approved by the City Council in 2005, has been withdrawn by the projects' developer and the 296 unit apartment complex continues to operate while further deteriorating. Despite delays in implementing the Wynhaven and Atlanta Northern projects, the MRC, MHA and City Office of Economic Development have made progress in identifying developers interested in pursuing projects along the Powder Springs and Allgood Road Corridors. The MHA is scheduled to begin site infrastructure work at Montgomery Park, formerly Lyman Homes, in late 2007.

Efforts to attract Developers to the Franklin/Gateway TAD resulted in interest from an Alpharetta based firm who entered into contracts to acquire 70 acres of contiguous property on Franklin Road for mixed use redevelopment in early 2007. Preliminary concept plans were developed and the City Council agreed to coordinate planning for Special Purpose Local Option Sales Tax (SPLOST) funded transportation improvements with the developer who intended to develop a master plan for phased redevelopment of the entire Corridor. The redevelopment plan gained support from many, including residents of the Franklin Road community, but due to timeline constraints and other factors the Developer cancelled commitments to the project toward the end of its due diligence phase.

In FY '08 the MRC will continue efforts to identify projects within the city's existing Tax Allocation Districts as approved projects move ahead and establish a place in the Marietta real estate market. The MRC focused the majority of its efforts in FY '07 on developing a mechanism to facilitate future redevelopment through land acquisition. Land acquisition and subsequent stabilization of land values for future redevelopment, will prepare the city to expand revitalization efforts into additional targeted redevelopment areas while the residential housing market recovers from the current downturn. Additional progress in implementing and identifying redevelopment projects through TAD monitoring and redevelopment project management, as well as descriptions of Marietta's TADs are provided on the following pages.



## Tax Allocation District and Real Estate Market Monitoring and Analysis

Tax Allocation Districts represent 5.23 percent of the city's 2007 total tax digest. In FY '06\*, the Center City South Renaissance, Center City Perimeter and Franklin/Gateway TADs together included 1,791 real and personal property tax parcels and almost 1,100 acres of land. Table 1 summarizes the characteristics of each TAD in terms of total parcels, acreage, assessed and full (market) values. Boundary maps of the districts are provided in Appendix 1 and descriptions of the districts follow.

**Table 1: Tax Parcel and Value Summary  
Center City South Renaissance, Franklin Gateway and Center City Perimeter TAD**

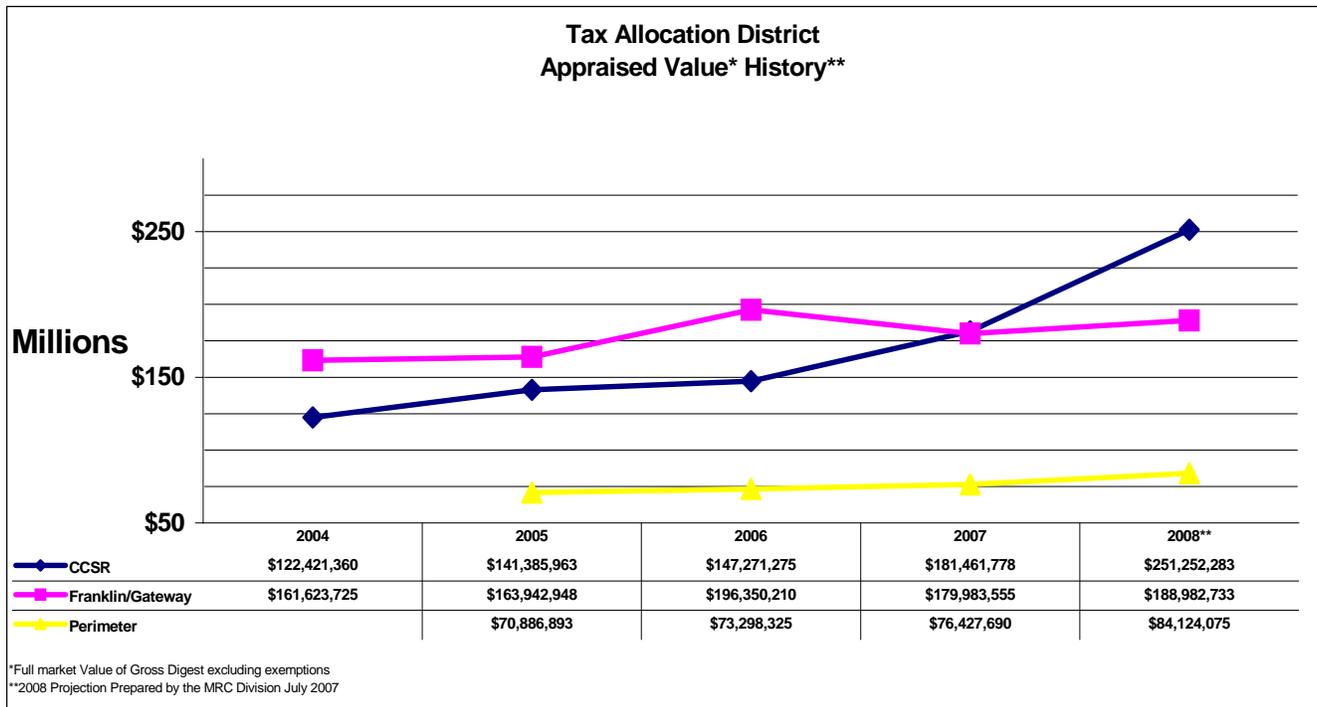
TAD Summary	CCSR	Franklin/Gateway	CCP	TOTALS
<b>2006* Parcel Count</b>				
Taxable Real Property	891	122	274	1,277
Taxable Personal Property	188	93	91	279
Exempt	81	4	47	140
<b>Total 2006* Parcels:</b>	<b>1,160</b>	<b>219</b>	<b>412</b>	<b>1791</b>
<b>Certified Parcels:</b>	<b>1,105</b>	<b>168</b>	<b>385</b>	<b>1658</b>
<b>Total Acreage:</b>	<b>485.8</b>	<b>324.4</b>	<b>243.6</b>	<b>1053.8</b>
<b>Tax Allocation Increment Base:</b>	\$48,968,544	\$64,649,490	\$28,454,757	\$144,597,075
<b>2006* Gross Digest:</b>	\$58,908,510	\$78,540,084	\$29,319,330	\$166,767,924
Gross Real Property:	\$56,016,052	\$71,872,911	\$27,911,703	\$155,800,666
Gross Taxable Personal Property:	\$2,892,458	\$6,667,173	\$1,407,627	\$10,967,258
<b>Assessed Value (After Exemptions):</b>	<b>\$56,795,214</b>	<b>\$76,985,786</b>	<b>\$29,215,651</b>	<b>\$162,996,651</b>
<b>FULL (MARKET) VALUE</b>	<b>\$141,988,035</b>	<b>\$192,464,465</b>	<b>\$73,039,128</b>	<b>\$407,419,628</b>

Sources: Cobb County Board of Assessors and the Marietta Redevelopment Corporation  
Prepared by the MRC Division July 2007

\*Detailed 2007 assessment records are received by the City of Marietta in August each year.

Figure 1 illustrates the growth in each TAD since certification using appraisal values from the Cobb County Tax Assessor's Office. Compared to the CCSR TAD, little growth has occurred in the Franklin/Gateway and Center City Perimeter TADs over and above the certified base. Redevelopment projects have not yet been implemented in these areas and increases in values may be contributed to natural growth in the district. In contrast, the CCSR TAD's value increased by 23 percent from 2006 to 2007 and has grown by more than 48 percent since 2004 certification. Growth in the CCSR TAD may be contributed to the sales of tax exempt parcels to private owners and new infrastructure and/or building improvements on redevelopment sites at the time of Cobb County's 2007 appraisal. Details on projected future tax increment based on project schedules and growth trends within the TAD are provided in a later section of this report.

**Figure 1: Summary of TAD Appraised Values with 2008 Projection**



Sources: Cobb County Board of Assessors and the Marietta Redevelopment Corporation

Prepared by the MRC Division July 2007

**Center City South Renaissance Tax Allocation District (CCSR TAD)**

The Center City South Renaissance Tax Allocation District was established in 2003 to support redevelopment of two public housing sites near Downtown Marietta into sustainable mixed use communities. The CCSR TAD was expanded in 2004 to make possible the redevelopment of Frasier Street Apartments and to support efforts to areas adjacent to Downtown Marietta. The TAD seeks to capitalize on the opportunity to revitalize residential neighborhoods within walking distance of Marietta Square and the Conference Center and further develop connections between Downtown and adjoining neighborhoods by improving community linkages through streetscapes and trails.

The CCSR TAD is essential in ensuring that the City of Marietta maintains its historical position as the central location in Cobb County to enjoy arts, entertainment, history, dining and shopping by creating the residential base to support and expand a vibrant downtown activity center. Within the TAD new housing units, ranging from single family to condominium flats, are under construction and will attract the critical mass of permanent residents needed to support new and existing businesses. New retail shops and restaurants will compliment existing businesses and offer new and expanded services to in-town residents. In addition, the City is currently preparing to implement over \$2 million dollars of quality-of-life neighborhood infrastructure investments including pedestrian oriented streetscapes and park renovations, through Tax Increment Financing (TIF) to help to create sustainable neighborhoods.

While six major projects are either completed or under construction and developers are pursuing smaller investments around project sites, there is still more than 200 acres of land in the TAD with redevelopment potential.

Guiding principles for redevelopment in the CCSR TAD include the findings of the, Envision Marietta Downtown Master Plan, 2001 and Powder Springs Corridor Master Plan, 2002. The TAD will facilitate the development of additional infill projects to eliminate the development gaps which exists because of property acquisition and assemblage costs. Through the development of linkages, infrastructure, and infill development this TAD encourages and supports new and existing businesses, new and renovated housing, and the support services that will help build a sustainable community.

### **Franklin Gateway Tax Allocation District**

The Franklin/Gateway TAD was established in 2004 to facilitate development of major mixed-use projects along the I-75 Corridor of Marietta. The TAD is intended to support redevelopment of more than 200 acres of aging multifamily property on Franklin Road and provide funding for infrastructure necessary to develop more than 50 acres of undeveloped and underutilized property located at the northwest quadrant of I-75 and Route 120. The City continues to work to identify development partners for Franklin Road and support the planning for future development of the Gateway Area. In support of private investment and revitalization efforts for Franklin Road, the City is expected to begin construction on streetscape and road improvements within the Redevelopment Area in the next three to five years.

A vision for redevelopment of the Franklin Road Corridor was developed in the, Delk Road LCI Study, 2003 and may be supported by transportation improvements planned by the Georgia Department of transportation and Georgia Regional Transportation Authority for the Northwest Corridor including a Bus Rapid Transit (BRT). Transportation improvements to the I-75 and Franklin Road Corridor as well as the redevelopment areas proximity to the interstate attract ongoing developer interest in reuse of property surrounding the proposed BRT Station. Concept plans have been developed through the LCI study and the Northwest Corridor project analysis and by developers with strong interest in undertaking the project. Challenges presented by the property include its location within a 100-year flood plain as well as high property acquisition and demolition related cost associated with redevelopment of apartments constructed in the 1970's.

### **Center City Perimeter (CCP TAD)**

The Center City Perimeter Tax Allocation District was established in 2005 to join the Center City South Renaissance TAD in allowing the city to rebuild its in-town neighborhoods, making Marietta a more enjoyable place to live, work and play. The 244-acre TAD was created to support the redevelopment of Wynhaven Apartments on Powders Springs Street and the construction of a 40,000 sq ft Class-A office building near Polk Street. The boundaries of the TAD incorporate underutilized residential and commercial property along North Fairground and Powder Springs Road corridors as well as the residential neighborhood surrounding the Lyman Homes public housing project.

Like the CCSR TAD, the Perimeter TAD will provide the stimulus for development of new retail and service businesses in an underserved area. Due to the geographic relationship between the districts, the initiatives underway in the CCSR TAD will support redevelopment in the Perimeter TAD. Both TADs will provide project funding and support for implementation of components of the Powder Springs Corridor Master Plan.

## Project Management and Monitoring

The MRC continues to monitor the progress and success of redevelopment projects within Tax Allocation Districts. To expand these efforts, the city's Department of Development Services implemented a Project Manager Program in FY '07 to provide additional staff support for monitoring and technical assistance. There are currently six redevelopment projects actively under construction or development in the CCSR and Perimeter TADs. These projects at completion will add approximately 860 housing units and 193,000 sq ft of office and retail space to Downtown Marietta neighborhoods and represent more than \$305 million in real estate investment. In addition, there are two significant redevelopment projects in Downtown Marietta located outside of TADs representing an additional 54 units and 10,000 square feet of commercial office space and \$22.4 million in investment. These projects are summarized in Table 2.

**Table 2: Downtown Redevelopment Project Summary**

Marietta Redevelopment Projects						
Updated: July 2007						
Development	Location	Type	Units	Commercial SF	Status	Construction Start Date
Manget	Manget Street at Frasier Street	Single-family houses, townhomes, condominiums; retail	265		Sales and construction	Summer 2006
Emerson Hill	Coryell Street off Roswell Street	Single-family townhomes	33		Complete	Spring 2004
Hunter Walk	Waterman Street at Coryell Street	Single-family houses	11		Sales; construction	Spring 2006
Emerson Overlook	Roswell Street at Coryell Street	Condominiums; office space	37	10,000	Construction	Spring 2007
Village at Frasier Park	Frasier Circle off Park Street	Townhomes	42		Sales	Spring 2005
Marietta Mill Lofts	Atlanta Street at South Marietta Parkway	Lofts; offices	31	9,500	Sales	Fall 2004
Marietta Walk	Powder Springs Street at Griggs Street	Single-family houses, townhomes, condominiums; retail	121	50,000	Site preparation	Summer 2007
Atlanta Northern Building	Polk Street at North Marietta Parkway	Class "A" office space		34,000	Plans	2008
Montgomery Park	Montgomery Street off North Marietta Parkway	Single-family houses	46		Site preparation	Fall 2007
Manor Park	Cole Street near North Marietta Parkway	Single-family houses, townhomes	36		Site preparation	Fall 2007
Meeting Park	Roswell Street at Waddell Street	Condominiums, townhomes, single-family houses, office, restaurants, retail	299	78,000	Sales; site preparation	Summer 2007
Washington Avenue Commons	Washington Avenue at Cole Street	Condominiums; office space	18	10,000	Sales; construction	Fall 2006

## MRC Strategic Goal 2

**Establish additional tax allocation districts and pursue alternative strategies as needed to implement future redevelopment projects throughout the City**

No additional Tax Allocation Districts have been proposed by the MRC since the creation of the Center City Perimeter TAD. The MRC has instead focused on developing alternative strategies to implement future redevelopment projects. The MRC continued to develop the "Marietta Fund for Neighborhood and Community Revitalization" (the Fund), capitalized in FY '07 with a \$2.1 million allocation by the City Council for the MRC to assemble additional project sites in areas where private sector redevelopment has not yet occurred. In addition, the MRC is closely involved in a number of City initiatives impacting redevelopment sites including the proposed I-75/I-575 HOV/BRT Project, 2006 Cobb County SPLOST and the

Franklin Road Weed & Seed Program The MRC also took the lead in FY '07 by initiating quarterly meetings with Cobb Housing Inc. and the Marietta Housing Authority leaders to improve future coordination to support the production of new quality affordable and workforce housing near Downtown Marietta.

## **The Marietta Fund for Neighborhood and Community Revitalization**

In FY '07, the MRC took steps towards assembling future redevelopment sites through the fund which was established and funded by the Marietta City Council in 2006. The MRC is responsible for managing and implementing the fund, which was created to provide the MRC with a ready source of investment capital. The fund enables the MRC to act on the city's behalf to strategically target, assemble, hold, master plan and dispose of key redevelopment sites in targeted neighborhoods and commercial areas. The intent of the fund is to create future catalyst projects in areas that have yet to benefit from the city's ongoing revitalization effort.

The City Council has allocated \$2.1 million from the General Fund reserves to capitalize the Fund. The MRC has invested the equity portion of the fund and leveraged an additional \$6.0 million to purchase property through the Bank of North Georgia. The first Fund Work Program, which is approved by the Marietta City Council on an annual basis was completed last fall. The MRC has established policy and procedures for fund investments, evaluated and ranked target areas for investment and successfully solicited a real estate broker to assist with property assembly efforts. The goals and objectives of the Fund are below.

- *Assemble sites for redevelopment purposes in blighted neighborhoods and commercial corridors identified in the Fund Work Program.*
- *Target the Fund first to neighborhoods and areas with the greatest need for revitalization.*
- *Focus acquisition efforts primarily on properties which are not being actively pursued by the private sector or other public redevelopment agencies*
- *To the extent possible, use the Fund to assemble contiguous parcels or concentrations of parcels within a given area, on a large enough scale to create future "catalyst" revitalization projects.*
- *Use the Fund where possible to acquire "problem properties" that are negatively impacting surrounding neighborhoods.*

The MRC has approved the second Work Program for the Fund based on this year's progress and investigation. The MRC selected Tunnel, Spangler, Walsh and Associates (TSW) in June 2007 to create and economically test land use plans for a selected target area. Next steps for FY '08 include completion and adoption of the TSW land use plan, investigation of investment opportunities in areas adjacent to active redevelopment sites and continued property acquisition in target areas.

## **Community Development and Transportation Improvement Coordination**

The MRC monitors and participates in planning and implementation of community development and transportation improvement initiatives including the I-75/I-575 Northwest Corridor HOV/BRT Project, 2006 Cobb County Special Purpose Local Option Sales Tax (SPLOST) and the Franklin Road Weed & Seed Program. These projects and programs involve various tiers of government including city, county, state and federal authorities. Each program's objectives vary while all are an asset to the city's revitalization efforts and will support and encourage redevelopment within Tax Allocation Districts. In addition, the MRC works closely with the Marietta Housing Authority and Cobb Housing, Inc. to coordinate the construction of affordable and workforce housing with market rate redevelopment projects.

The I-75/I-575 HOV/BRT Project proposes to construct a Bus Rapid Transit Station in the Franklin Road Redevelopment area. The 2006 Cobb County SPLOST will provide major transportation improvements supporting major corridors adjacent to Redevelopment Areas including Powder Springs, Roswell and Fairground Streets and Franklin Road. The MRC monitors and communicates progress on these projects in an effort to coordinate with property owners and Developers to redevelop adjacent properties.

The widening of I/75 and BRT station construction is scheduled to begin next decade and identification of a developer to implement a Transit Oriented Development envisioned in the 2003 Livable Center initiative for Franklin Road is ongoing. SPLOST funded transportation improvements are scheduled for construction over the next three to five years and will play a role in planning for redevelopment in FY '08.

The MRC also participates in and follows the progress of the Franklin Road Weed & Seed Program, which will improve current conditions on Franklin Road and help the MRC to identify apartment complexes that are better suited for renovation and continued operation versus condominium conversion or demolition for new residential and commercial construction. The MRC has improved communications with apartment owners, managers and businesses on Franklin Road through the activities of the Weed & Seed Program. The MRC improved communication and joint planning with the Marietta Housing Authority and Cobb Housing, Inc. through quarterly meetings amongst organization leaders starting in FY '07 and will expand this effort in FY '08.

### MRC Strategic Goal 3

**Develop internal market research and information necessary to enable the MRC and City to make sound real estate investment decisions and to ensure the marketing success of ongoing redevelopment efforts.**

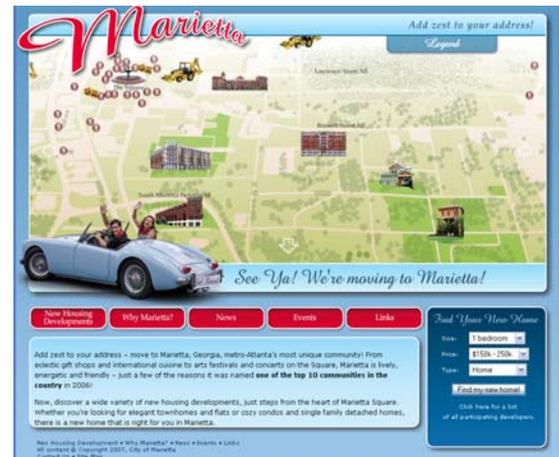
The MRC has successfully managed five major redevelopment projects to the development and construction phase. These and other redevelopment projects will add more than 800 housing units and 200,000 sq ft of commercial space to the downtown market over the next 5-7 years. The MRC has a responsibility to monitor market conditions and trends and support timely construction and sales of units to ensure projects generate projected levels of tax increment. In FY '06 the MRC conducted a residential market study that was used by the Office of Economic Development to develop a redevelopment Marketing Campaign.

### **Ongoing Market Research**

The MRC conducts market research and monitors Citywide, northwest metro Atlanta and Atlanta Metro area market trends to support redevelopment efforts in the City of Marietta. Data sources including the U.S. Census Bureau, Claritas, Smartnumbers, Viasearch and Metro Search are used to monitor demographic and real estate market trends that will impact the success of redevelopment projects. The MRC monitors housing supply, demand and absorption on a regular basis. This information is often used by the City Council and other decision making bodies to determine the feasibility of proposed projects and avoid permitting an excess supply of new housing in the City.

## Economic Development Marketing Campaign

In FY '07 the City's Office of Economic Development contracted with O'Neil Communications to develop a Citywide marketing campaign for redevelopment projects and in town-living. The goal of the effort is to promote new housing in redevelopment neighborhoods and support developer marketing through a collective campaign featuring print media and a comprehensive website of redevelopment projects. The MRC 2006 Residential Market Study provided research used to develop the marketing campaign. In addition, O'Neil Communications conducted a Community Image Study in October 2006 to develop the campaign.



[www.movetomarietta.com](http://www.movetomarietta.com)

Four hundred residents of Bartow, Cherokee, Cobb, Dekalb, Fulton, Gwinnett, and Paulding counties, age 25 – 60 with household incomes greater than \$60,000 and intent to purchase a new home within the next five years, were interviewed by phone and where asked for their impressions of Marietta crime, schools, activities and traffic. From the survey, O'Neil concluded that Marietta is statistically tied to Alpharetta among target prospects for the new developments in Marietta as a nice place to live and for being a community they might consider for their next home purchase. From the survey, the city of Marietta received its highest ratings for shopping and restaurants, followed by sense of community, public schools and parks/recreation/greenspace.

## MRC Strategic Goal 4

**Educate the public concerning the need for and benefits from public investment to promote successful redevelopment.**

Issues regarding redevelopment needs, neighborhood impacts, and tax increment financing are complex and difficult for the public and media to understand. The MRC has made efforts to effectively communicate the need for and resulting benefits from successful redevelopment programs and to share examples of successful redevelopment projects in the Atlanta region. These efforts need to continue and include more detailed financial analysis to explain the purpose and nature of tax increment financing (TIF) and the positive fiscal impact of TIF on city and school budgets.

## Education Initiatives and Activities

In FY '07 the MRC was involved in a number of city initiatives to educate the public and elected and appointed officials about Tax Allocation Districts and the benefits of redevelopment. In addition, data gathered and collected by the MRC was presented to community groups, civic organizations and the Marietta School Board. The Atlanta Regional Commission, through its community choices program, facilitated presentations and discussions led by Georgia experts on TADs. The MRC website was expanded to include more educational information on TADs for public consumption.

## Sources and Uses of Tax Allocation Increments

The city and county have entered into an intergovernmental agreement (IGA) for the purpose of monitoring the collection and disbursement of future revenues and expenditures that is generated from redevelopment within the city's TAD's. Included within the terms and conditions of the IGA is the requirement that the city prepare a "comprehensive annual report regarding the amount of positive Tax Allocation Increments and the use of such funds, and...a copy of the annual audit of, as applicable, the Redevelopment Agency for the TAD or the city."<sup>1</sup> The following sections document redevelopment expenses incurred to date, revenues collected and anticipated future revenues from redevelopment proceeds.

### Redevelopment Costs

TAD funds were dispersed to Developers on an as completed basis in FY '06 and FY '07 drawing down the balance of TAD bond proceeds. In addition the City has drawn funds for neighborhood infrastructure improvements. The majority of TAD bond proceeds were expended in FY '05 to reimburse the City for land acquisition cost. Tables 3 and 4, which provide a summary and details of uses of bond proceeds since December 2005, shows that the City has expended roughly \$6.55 million from the \$8.4 million CCSR TAD Bond. The tables also estimate future disbursements that are scheduled over the next eighteen months. Under the terms of financing, BB&T has required the escrow of the first two years of interest-only debt service payments out of bond proceeds. The City is also required to escrow an additional \$840,000 Bond reserve fund. The first principal payment on the bond is due in December 2008. The remaining balance has been used to reimburse the City for prior redevelopment costs and to provide TAD contributions to two redevelopment projects.

**Table 3: Summary of CCSR TAD Incurred Redevelopment Costs Through FY2007**

Description	Deposits	Withdrawals	Balance
Bond Proceeds	8,400,000.00		
Transfer to Bond Reserve Fund		840,000.00	
City Land Acquisition and Carry Cost		3,767,935.07	
Village at Frasier Park Project Assistance		477,539.00	
Marietta Mill Lofts Project Assistance		400,000.00	
Neighborhood Improvement Projects		69,675.25	
IGA Legal Fees		22,107.00	
TAD Bond Closing Cost		42,000.00	
TAD Bond Legal Fees		55,722.02	
Interest Only Debt Service payments		353,997.26	
Interest earnings	212,711.34		
<b>Planned Activity</b>			
Encumbered funds		1,365.95	
Future Project Draws		182,461.00	
Debt Service Payment Due (Interest Only)		351,960.00	
<b>Totals</b>	<b>8,612,711.34</b>	<b>6,564,762.55</b>	<b>2,047,948.79</b>
Source: Marietta Finance Department			
Prepared by the MRC Division July 2007			

As shown in table 3, a little over \$ 2 million dollars in bond proceeds and interest earnings remain as of June 30, 2007. These funds are slated for the City's final interest only debt service payment, future draws for the completion of the Village at Frasier Park, planned neighborhood streetscape improvements in the Roswell Street Renaissance District and Griggs Street Neighborhood and renovation of Henry Park.

**Table 4: Detailed CCSR TAD Incurred Redevelopment Costs Through FY2007**

Draw Date	Description	Deposits	Withdrawals	Balance
12/13/2005	Bond Proceeds	8,400,000.00		8,400,000.00
12/14/2005	Transfer to Bond Reserve Fund		840,000.00	7,560,000.00
12/16/2005	Requisition #1 - reimburse City of Marietta		3,844,779.07	3,715,220.93
12/16/2005	Requisition #2 - BB&T for legal fees		42,000.00	3,673,220.93
12/30/2005	Interest earnings	7,206.76		3,680,427.69
1/6/2006	Requisition #3 - reimburse City - Deerfield* draw #1		301,792.00	3,378,635.69
1/31/2006	Interest earnings	10,924.92		3,389,560.61
2/28/2006	Interest earnings	10,416.25		3,399,976.86
3/31/2006	Interest earnings	11,663.07		3,411,639.93
4/25/2006	Requisition #4 Reimburse City - Church Street** draw #1		240,000.00	3,171,639.93
4/28/2006	Interest earnings	11,797.76		3,183,437.69
5/31/2006	Interest earnings	11,992.40		3,195,430.09
6/21/2006	Requisition #5 Reimburse City - May/June disbursements		26,807.55	3,168,622.54
6/30/2006	Interest earnings	11,853.67		3,180,476.21
7/31/2006	Interest earnings	12,855.90		3,193,332.11
8/31/2006	Interest earnings	12,907.87		3,206,239.98
9/29/2006	Interest earnings	12,531.15		3,218,771.13
10/31/2006	Interest earnings	13,010.70		3,231,781.83
11/9/2006	Requisition #6 Reimburse City - July - Nov. disbursements		143,613.10	3,088,168.73
11/28/2006	Requisition #7 Transfer to pay interest on debt service		353,997.26	2,734,171.47
11/30/2006	Interest earnings	12,091.12		2,746,262.59
12/31/2006	Interest earnings	11,100.75		2,757,363.34
1/26/2007	Requisition #8 Reimburse City - Dec. - Jan. disbursements		41,198.42	2,716,164.92
1/31/2007	Interest earnings	11,134.90		2,727,299.82
2/28/2007	Interest earnings	9,955.31		2,737,255.13
3/13/2007	Requisition #9 Reimburse City - February - March disbursements		175,747.00	2,561,508.13
3/30/2007	Interest earnings	10,629.28		2,572,137.41
4/30/2007	Interest earnings	10,060.88		2,582,198.29
5/31/2007	Interest earnings	10,437.59		2,592,635.88
6/29/2007	Requisition #10 Reimburse City April - June disbursements		19,041.20	2,573,594.68
6/29/2007	Interest earnings	10,141.06		2,583,735.74
<b>Planned Activity</b>				
	Encumbered funds - Planning (Cooper Cary & JB+a)		1,365.95	2,582,369.79
	Future Deerfield* Draws		182,461.00	2,399,908.79
12/15/2007	Debt Service Payment Due (Interest Only)		351,960.00	2,047,948.79
<b>Totals</b>		<b>8,612,711.34</b>	<b>6,564,762.55</b>	<b>2,047,948.79</b>

\*Developer of the Village at Frasier Park  
\*Developer of the Marietta Mill Lofts  
Source: Marietta Finance Department

Expenditures for Neighborhood Improvements projects are provided in Table 5. Neighborhood Improvement projects are designed to connect and support redevelopment projects in the Roswell Street Renaissance District and the CCSR TAD through streetscapes. Henry Park renovations will enhance quality of life in the Griggs Street Neighborhood of the TAD. Projects are scheduled for design and implementation in coordination with private sector redevelopment through the Department of Development Services with support from the Public Works and Parks and Recreation.

**Figure 2: Henry Park Master Plan**



Henry park is located near the Marietta Walk redevelopment site west of Powder Springs Street. The master plan includes play areas and swings, handicap access, half court basketball, a discovery garden, multi-purpose field, a walking trail, landscaping, a plaza with public art and a shelter. The city will seek construction bids from contractors this summer and expects to begin construction this fall. The park could open as early as spring 2008.

**Figure 3: Roswell Street Renaissance District Phase 1**



Plans for Roswell Street Renaissance District are intended to enhance the neighborhoods encompassing redevelopment projects including Emerson Overlook, Meeting Park, and Manget. District improvements include the creation of “gateways” and pedestrian streetscapes to link redevelopment projects to the Marietta Square and the neighborhoods that surround them. The Roswell Street Renaissance District is bounded by Waddell Street, Roswell Street, Park Street and South Marietta Parkway.

**Table 5: Neighborhood Improvement Projects –CSR TAD**

Street Sidewalks, Infrastructure Replacement Projects Summary					
Preliminary Estimated Allocation of TAD Bond Proceeds for Street	\$	1,825,000.00			
Funds Allocated to TAD Streets, Infrastructure, Sidewalks Account	\$	1,735,894.00			
Difference	\$	(89,106.00)			
			<b>Manget Street Area*</b>	<b>Clay Homes Area*</b>	
Estimated Use of Bond Proceeds	\$	1,000,000.00	\$	350,000.00	
Actual Use of Bond Proceeds to Date	\$	8,512.61	\$	2,979.41	
Remaining Estimated Bond Proceeds	\$	991,487.39	\$	347,020.59	
				<b>Griggs Street Area</b>	
				\$ 475,000.00	
				\$ 29,412.72	
				\$ 445,587.28	
Street Sidewalks, Infrastructure Replacement Projects - Detailed Transactions					
Transaction Date	Vendor	Transaction Amount	Roswell Renaissance Project Balance	Henry park Project Balance	TAD Streets, Infrastructure, Sidewalks Account
3/31/2006	JB+a	\$ 3,136.82		\$ 448,671.21	\$ 1,732,757.18
7/31/2006	Cooper Carry Inc	\$ 4,332.80	\$ 1,279,753.17		\$ 1,728,424.38
7/31/2006	JB+a	\$ 3,340.61		\$ 445,330.60	\$ 1,725,083.77
7/31/2006	Cooper Carry Inc	\$ 246.70	\$ 1,279,506.47		\$ 1,724,837.07
9/22/2006	Cooper Carry Inc	\$ 125.72	\$ 1,279,380.75		\$ 1,724,711.35
9/22/2006	Cooper Carry Inc	\$ 172.38	\$ 1,279,208.37		\$ 1,724,538.97
9/22/2006	Cooper Carry Inc	\$ 5,416.00	\$ 1,273,792.37		\$ 1,719,122.97
9/30/2006	JB+a	\$ 90.09		\$ 445,240.51	\$ 1,719,032.88
11/30/2006	Cooper Carry Inc	\$ 115.22	\$ 1,273,677.15		\$ 1,718,917.66
12/31/2006	Cooper Carry Inc	\$ 1,083.20	\$ 1,272,593.95		\$ 1,717,834.46
3/30/2007	JB+a	\$ 14,029.64		\$ 431,210.87	\$ 1,703,804.82
4/30/2007	JB+a	\$ 5,011.56		\$ 426,199.31	
5/31/2007	JB+a	\$ 3,804.00		\$ 422,395.31	
Street Sidewalks, Infrastructure Replacement Projects - Account Summary					
			Roswell Renaissance Project Balance	Henry Park Improvements	TAD Streets, Infrastructure, Sidewalks Account
Funds Allocated to TAD Streets, Infrastructure, Sidewalks Account	\$		\$ 1,284,085.97	\$ 451,808.03	\$ 1,735,894.00
Balance of Funds Allocated to TAD Streets, Infrastructure, Sidewalks Account As of 6/1/2007	\$		\$ 1,272,593.95	\$ 422,395.31	\$ 1,694,989.26
*The Manget Street Area and the Clay Homes Area have been combined as a single project known as Roswell Renaissance District Neighborhood Improvements. Bond Proceeds expended on the Roswell Renaissance District have been divided proportionally between the					
Source: City of Marietta Department of Finance					
Prepared by the MRC Division July 2007					

**Tax Allocation Increments (Revenues)**

Estimated build out values from developers are summarized in Table 6, which shows that redevelopment projects are currently projected to have a total market value of more than \$309 million when fully completed. This projected value is more than 15 times the taxable value of these same parcels prior to redevelopment. The projects currently identified within each TAD are described more fully in a later section of this report.

At current City, School and County millage rates these developments will generate an annual tax increment of more than \$3.2 million when fully built out at the end of an estimated 5 to 7 year construction and marketing period <sup>2</sup>. These new revenues will be generated from property, which prior to redevelopment, produced less than \$155,000 per year in real property taxes. More importantly, these redevelopment projects will transform sites that formerly caused surrounding neighborhoods to depreciate, and were a fiscal drain on the City and School District, into catalysts for neighborhood revitalization.

<sup>2</sup> Revenue estimates are based on real property taxes only. Projections include a 10% allowance for revenue losses associated with resident homestead and senior exemptions. No effort was made to forecast potential incremental gains in personal property tax revenues. Revenue impacts also exclude the potential for reductions in State QBE aid to the Marietta Public Schools as a result of increased property values within the City limits.

The revenue projections of annual tax increment contained in Table 6 are based solely on the current estimated value of the identified redevelopment projects, using current millage rates. Additional base value growth within the TADs can also be expected to occur over time. Future revenue growth can result from the general appreciation of existing developed property, from future investments in the rehabilitation and expansion of existing low-valued housing or from future increases in millage rates. Evidence of this "halo effect" is already beginning to emerge in the form of an increase in private acquisitions of rental properties in neighborhoods immediately surrounding these project locations.

**Table 6: Calculation of Projected Tax Increment  
Center City South Renaissance and Center City Perimeter Tax Allocation Districts**

Project Location	Project Name	Full Market Value		Total Increase	Percent Increase
		Pre Redevelopment [1]	At Build Out [2]		
<b>Center City South Renaissance TAD Projects</b>					
Johnny Walker Homes	Marietta Walk	\$ 484,790.00	\$ 43,570,000.00	\$ 43,085,210.00	8887.4%
Clay Homes	Meeting Park	\$ 244,250.00	\$ 114,351,900.00	\$ 114,107,650.00	46717.6%
Manget Street	Manget	\$ 6,180,773.00	\$ 87,575,000.00	\$ 81,394,227.00	1316.9%
Frasier Circle	Village at Frasier Park	\$ 4,362,480.00	\$ 9,619,200.00	\$ 5,256,720.00	120.5%
328 Roswell Street	Emerson Overlook	\$ 839,130.00	\$ 18,075,000.00	\$ 17,235,870.00	2054.0%
319 Atlanta Street	Marietta Mill Lofts	\$ 519,790.00	\$ 10,160,000.00	\$ 9,640,210.00	1854.6%
Waterman & Coryell Street	Hunter Walk	\$ 933,220.00	\$ 5,400,000.00	\$ 4,466,780.00	478.6%
<b>Center City Perimeter TAD Projects</b>					
Polk Street	Atlanta Northern Traction Co. Building	\$ 457,770.00	\$ 7,700,000.00	\$ 7,242,230.00	1582.1%
Lyman Homes	Montgomery Park	\$ -	\$ 13,500,000.00	\$ 13,500,000.00	
<b>Total Change in Value</b>		<b>\$ 14,022,203.00</b>	<b>\$ 309,951,100.00</b>	<b>\$ 295,928,897.00</b>	<b>2110%</b>
<b>Annual General Fund Taxes at Current Millage [4]</b>					
Annual City Taxes		\$ 15,638	\$ 336,580	\$ 320,942	2052.4%
Annual School Taxes		\$ 100,792	\$ 2,227,929	\$ 2,127,137	2110.4%
Annual County Taxes		\$ 38,421	\$ 793,507	\$ 755,086	1965.3%
Total Tax Revenue [5]		\$ 154,850	\$ 3,358,015	\$ 3,203,165	2068.6%

NOTES:  
[1] Assessed value of existing tax parcels at the time the TADs were certified.  
[2] Projected assessed value based on redevelopment proposals, updated to June 2007  
[3] Assessment increases exclude potential value growth from other redevelopment within the TADs.  
[4] Includes only general fund portion of the millage rate.  
[5] Tax revenues will be reduced by the debt service on TAD bond.

Prepared by the MRC Division July 2007

Prospects for revenue growth to occur from general property appreciation and neighborhood reinvestment would certainly have been minimal without the creation of the respective TADs and implementation of the redevelopment plans. The return of special fund proceeds (in excess of debt service on future TAD bond issues) to the taxing jurisdictions is also likely to exceed any future growth in property tax revenues that could have otherwise been generated without the creation of the TADs, or the required public sector commitment to encourage redevelopment. It is in fact very possible that these redevelopment areas could have depreciated in value in the future had it not been for the public actions taken to stimulate redevelopment.

**Table 7: Tax Allocation District Value\* Growth Trends and Projections\*\***

Center City South Renaissance						
	2004 Base	2005	2006	2007	2008**	
Assessed Value (100%)	\$ 122,421,360	\$ 141,385,963	\$ 147,271,275	\$ 181,461,778	\$ 251,252,283	Projected New parcel and/or improvement assessment \$ 60,717,417.00
Annual Increment		\$ 18,964,603	\$ 5,885,313	\$ 34,190,503	\$ 69,790,506	Projected Existing Parcel Reassessment \$ 9,073,088.88
Annual % Growth		15%	4%	23%	38%	Total Projected 2008 Increment \$ 69,790,505.88
Total Increment		\$ 18,964,603	\$ 24,849,915	\$ 59,040,418	\$ 128,830,923	Projected 2008 Average Annual Percentage Growth 26%
Increment % Growth		15%	20%	48%	105%	
Franklin Gateway						
	2004 Base	2005	2006	2007	2008**	
Assessed Value (100%)	\$ 161,623,725	\$ 163,942,948	\$ 196,350,210	\$ 179,983,555	\$ 188,982,733	Projected New parcel and/or improvement assessment \$ -
Annual Increment		\$ 2,319,223	\$ 32,407,263	\$ (16,366,655)	\$ 8,999,178	Projected Existing Parcel Reassessment \$ 8,999,177.75
Annual % Growth		1%	20%	-8%	5%	Total Projected 2008 Increment \$ 8,999,177.75
Total Increment		\$ 2,319,223	\$ 34,726,485	\$ 18,359,830	\$ 27,359,008	Projected 2008 Average Annual Percentage Growth 4%
Increment % Growth		1%	21%	11%	17%	
Center City Perimeter						
	2005 Base	2006	2007	2008**		
Assessed Value (100%)	\$ 70,866,893	\$ 73,298,325	\$ 76,427,690	\$ 84,124,075		Projected New parcel and/or improvement assessment \$ 3,875,000.00
Annual Increment		\$ 2,411,433	\$ 3,129,365	\$ 7,696,385		Projected Existing Parcel Reassessment \$ 3,821,384.50
Annual % Growth		3%	4%	10%		Total Projected 2008 Increment \$ 7,696,384.50
Total Increment		\$ 2,411,433	\$ 5,540,798	\$ 13,237,183		Projected 2008 Average Annual Percentage Growth 5%
Increment % Growth		3%	8%	19%		

Source: City of Marietta Department of Finance  
\*Full market Value of Gross Digest excluding exemptions  
\*\*2008 Projection Prepared by the MRC Division July 2007

The Center City South Renaissance TAD experienced record growth in 2007 since the district was re-certified in 2004. The 2007 CCSR TAD assessed value grew by 23 percent or approximately \$34 million over 2006 and 48 percent or approximately \$59 million since certification

The Franklin/Gateway TAD has limited associated increment at this time since the district has experienced only 11 percent total growth over the last three years absent of a redevelopment project. The 2007 Franklin/Gateway TAD assessed value actually decreased by 8 percent from 2006 or approximately \$18.4 million. The exclusion of Cobb County tax increment also limits the revenue that is contributed to the Franklin/Gateway TAD special fund.

While Cobb County has already consented to inclusion of its increment to the Center City Perimeter TAD, revenue to the Perimeter TAD special fund have been limited by the minimal growth in the district, 6 percent or approximately \$5.5 million, due to delays in implementation of redevelopment projects.

In August of 2004 and 2005, the Cobb County Board of Assessors calculated the tax increment multipliers for all TADs within the County.<sup>3</sup> The percentage increase in assessed value of all property within the CCSR and Franklin/Gateway TADs is now \$8.5 million or 6% higher than the original certified base (40%) values of each district.

Table 8 below summarizes total deposits into the various TAD Special Funds as of July 23, 2007. As shown, the amount of tax allocation increment deposited into the CCSR TAD Special Fund totaled just over \$400,000, while the Franklin/Gateway Special Fund contains only \$35,000 and the Perimeter TAD Special Fund contains only \$16,000. Current detailed (unaudited) City financial statements showing the current balances in the TAD special funds are presented in Appendix 2. These revenues have been collected after completion of the last City Audit.

**Table 8: Status of Marietta TAD Special Funds: YTD Actual as of July 23, 2007**

Revenue Source	Center City South Renaissance TAD	Franklin/Gateway TAD	Center City Perimeter TAD	All Tax Allocation Districts
Real property Taxes (City/School) [1]	\$ 172,578.82	\$ 33,110.82	\$ 15,813.46	\$ 221,503.10
Personal Property Taxes (City/School)	\$ 9,302.91	\$ 2,583.52	\$ 697.32	\$ 12,583.75
Penalties & Interest Taxes	\$ 1,122.32	\$ 66.08	\$ 73.22	\$ 1,261.62
County Taxes [2]	\$ 55,368.90	\$ -	\$ -	\$ 55,368.90
Investment Income (TAD Bond) [3]	\$ 164,985.06	\$ -	\$ -	\$ 164,985.06
<b>TOTALS:</b>	<b>\$ 403,358.01</b>	<b>\$ 35,760.42</b>	<b>\$ 16,584.00</b>	<b>\$ 455,702.43</b>

NOTES:

[1] The Marietta BOE has not yet pledged school tax increment to the Franklin/Gateway TAD

[2] Cobb County has not yet pledged increment to the Franklin/Gateway TAD.

[3] Includes YTD interest earnings on the unexpended balance of the CCSR TAD Bond.

Source: Cobb County Department of Finance, City of Marietta Department of Finance, Prepared by the Marietta Redevelopment Corporation

## Audited Financial Statements

The most recent available Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2006 was prepared by the City Finance Department in December of 2006<sup>4</sup>. That document contains an independent auditor's report, prepared by Moore & Cubbedge, LLP, which verifies the accuracy of the statements contained in the CAFR. The CAFR contains a separate audited financial statement for the Marietta Redevelopment Corporation and Tax Allocation District Special Fund. Copies of the MRC's Balance Sheet and Statement of Revenues and Expenditures are provided in Appendix 3.

<sup>3</sup>Based on worksheets prepared by the Cobb County Board of Tax Assessors and date August 13, 2004, the tax allocation increment multiplier for the CCSR TAD was 0.3611%.

<sup>4</sup>The FY'07 Comprehensive Annual Financial Report (CAFR) is scheduled to be released in December of 2007.

## Progress on Redevelopment Projects and Projected Future Tax Increments

This section forecasts the sources of future tax increment that will be dedicated to repaying any future TAD bonds to support redevelopment activities within the Districts. The CCSR TAD bond is currently supported by seven active or completed projects involving the demolition or rehabilitation of blighted or underutilized property. These projects will result in significant increases in taxable property value. No bond has been issued for the CCP TAD, but the district will generate increment supported by the Montgomery Park project beginning in FY '09. Construction is expected to have commenced at the Atlanta Northern Traction Co. to generate additional increment and the MRC continues to encourage redevelopment of Wynhaven Apartments and the Allgood Road corridor, projects large enough to support and justify the issuance of a TAD bond. These projects, which are now in various stages of engineering and site development, are discussed in detail below.

The redevelopment strategy for the CCSR TAD has focused on publicly initiated property assemblies, which have later been offered to private developers for residential and mixed-use redevelopment. The Marietta Walk, Meeting Park and Manget at Historic Marietta were made possible by the city's purchase and city and Marietta Housing Authority sale of 8-12- acre redevelopment sites located near Downtown Marietta. These sites will be the future location of more than 700 housing units and 135,000 square feet of retail and office space. All three project sites were sold to metro area developers during FY2006 through disposition processes that included public meetings, preliminary plan approvals, negotiations of sales contracts and development agreements.



*Top: Lyman Homes demolition of 125 apartment units*

*Bottom: Johnny Walker Homes site commercial building demolition*

*Photographed by the Marietta Public Information*

In addition to publicly initiated projects, private developers have received approvals and/or started construction on smaller infill development and residential rehabilitation projects totaling an additional 128 housing units and 40,000 square feet of retail and office space. The Village at Frasier Park, Marietta Mill Lofts, Emerson Overlook and Hunter Walk are examples of this type of smaller-scale redevelopment and are also described below. In total, the City's commitment to invest in the declining neighborhoods within the CCSR TAD has attracted roughly \$290 million in private investment.

Additional projects on Hunt/Cole and Washington Streets have also been permitted over the past year. Although these projects are not physically located within tax allocation districts, they will have similar positive impacts on surrounding neighborhoods. It is also probable that these developments would not have been proposed without the city's commitment to redevelopment over the past four years.

### *Marietta Walk*

Planned in two phases, Marietta Walk includes single-family homes, townhomes and condominiums as well as office and retail space. The mixed use project, located on the former city owned Johnny Walker Homes site, is developed by Alpharetta based Myrick Company, LLC. The City selected Myrick in 2005 to master plan and implement the city's vision for the approximate 11-acre mixed use site.

In March 2007, Myrick partnered with Whitehall Homes of Atlanta, 2002 and 2003 recipient of the Greater Atlanta Home Builders Association Professionalism Awards, to design and construct Marietta Walk's 76 homes. In Phase I, Whitehall Homes will build 58 townhomes priced from the \$300,000's and 18 single-family detached homes priced from the \$400,000's. In Phase II, Myrick Company will build 45 condominiums over approximately 50,000 square feet of office and retail space in two mixed-use buildings located along Powder Springs Street.

The Myrick Company completed engineering and began site development work in FY '07. Topographic challenges and constraints are addressed in Myrick's revised site plan through a network of street, sidewalk, open spaces and structured parking design. Site infrastructure work will be completed this summer and roads, curbs and gutters and detention facilities where in place at the time this report was written. Construction of homes is scheduled to begin this fall. Commercial and condominium building construction is scheduled to begin in 2008.



*Marietta Walk looking west from Powder Springs Street  
Photographed by the MRC Division July 2007*

## *Meeting Park*

Winter Properties, LLC increased the City's and community's excitement about Meeting Park with several events in FY '07. The Atlanta based development company was selected in August 2005 by the Marietta Housing Authority through a request for redevelopment proposals process. Meeting Park celebrated the community's ground breaking and educated local realtors last Winter followed by a Spring grand opening at the Meeting Park's sales center, which features a scale model of the 299 mixed use village style development. The plan is valued at more than \$115 million.



*Meeting Park sales office model display 2007  
Photographed by the Marietta Public Information Office*

Located on the former Clay Homes site, plans for the 11-acre site on Roswell Street include 78,000 square feet of retail and office space and 159 residential condominiums, 130 townhomes and 9 single family. Condominiums range from 900 to 2,200 square feet and townhomes range from 1,000 to more than 2,900 square feet. Homes are starting from \$200,000 to \$600,000. Site infrastructure work is underway and phase I is slated for completion in Fall 2008.

## *Manget at Historic Marietta*

A long awaited community transformation, the former city owned Manget Street property is now the location of local regional and national award winner, Hedgewood Homes, latest new-urban style development. The project was initiated in 2003 when the City Council took action to purchase the Frasier Street apartments to remove the predominant source of blight from its 1940's Bell Bomber neighborhood. Hedgewood Development, LLC was selected May 2005 to redevelop the 8.08 acre site to implement a 89-unit plan with a market value of \$21.5 million. Hedgewood expanded the project by purchasing an additional 10.7 acres of adjacent privately owned property to eventually triple the impact of the City's original initiative. Hedgewood revised their plan for the now 17.9 acre site to include on site amenities and Marietta's first condominium flats. The latest version of the plan is valued at more than \$87.5 million.

Homes, townhomes and condominiums are now under construction, completed for sale, under contract and occupied. Infrastructure including parks and sidewalks are in place. At completion Manget will include 265 residential units including a mix of condominium flats, townhomes and single-family detached homes. Single-family homes ranging from 1,850 to 2,500 square feet are priced from the \$400,000's, townhomes ranging from 1,500 to 2,800 square feet are priced from the low \$300,000's and Condominium homes start in the \$200,000s



*Manget at Historic Marietta 2007  
Photographed by the Marietta Public Information Office*

## *Hunter Walk*

Construction at Hunter Walk, a single-family infill project with finished homes and build to suit lots, continued in FY '07 producing a record sales for the Roswell Street Renaissance District. Focused on single family infill, JAKL Development, LLC continued construction at Hunter Walk and sold several custom built homes for as much as \$575,000 at what is only the start of the neighborhoods renaissance.

To date, JAKL has completed construction of two townhomes and five craftsman-style single-family homes and plans to begin at least four additional homes in FY '08. Most units include garages and all units will feature hardwood floors, granite countertops and other high quality finishes and fixtures. JAKL plans to continue to preserve mature trees and focus on low-density development.



*Hunter Walk 2007*  
Photograph provided by Hunter Walk

## *The Village at Frasier Park*

Deerfield Development, LLC continued their work to transform 48 duplex units into a fee-simple townhome community called The Village at Frasier Park. This project involves the conversion of an established neighborhood of 24 existing, renter-occupied duplex buildings into 48 owner-occupied townhomes. The existing duplex shells are completely gutted and expanded into 2, 3 and 4 bedroom units. One and two-story units ranging from 1,000 to 2,200 SF are priced from the low \$200,000's. To date Deerfield has converted 40 units and construction on Phase I is expected to be complete in 2008.



*Village at Frasier Park 2007*  
Photographed by Marietta Public Information Office

## *Marietta Mill Lofts*

Completed in March 2007, the Marietta Mill Lofts residential and office condominium building features 1, 2 and 3 bedroom floor plans along with 4 penthouses. Church Street Partners, LLC started the project, located at the intersection of South Marietta Parkway and Atlanta Road, in 2005. The site was owned and operated by the former Victory Cab Company and it's aging structure remained vacant for several years.

In total the project includes 31 condominium lofts, 9,500 square feet of commercial space in seven office suite. The standard residential units range from 950 to 1,900 SF with prices starting from the high \$100,000's to the low \$300,000's. The project has an estimated completion value of nearly \$10.2 million.



*Marietta Mill Lofts 2007*  
Photographed by Marietta Public Information Office

## ***Emerson Overlook***

In FY '07, the developer of the adjacent Emerson Hill townhome project began construction on a mixed-use building containing 30,000 square feet of retail and/or office space and 37 residential condominiums. Condominiums range from 1,100 to 4,000.

*Emerson Overlook artist rendering 2005*



## ***Atlanta Northern Traction Co. Building***

Later in 2006, the Atlanta Northern Traction Co., LLC is planning to start construction on a Class-A office building near downtown Marietta, representing the first new Class-A space to be added to the downtown office market in many years. Pending completion of final plans, the building will range from 35,000 to 48,000 SF and will have an estimated completion value ranging from \$7.7 million to \$10.5 million.

*Atlanta Northern Traction Co. Building artist rendering 2005*



## ***Montgomery Park***

The Marietta Housing Authority (MHA) demolished 125 public housing units off North Marietta Parkway to build a subdivision of single-family homes last fall. The new development named Montgomery Park after its Montgomery Street area location includes, 45 homes priced from the low \$200,000s to the mid \$300,000s.

Portions of the proceeds from the sale of residential lots at Montgomery Park, formerly known as Lyman Homes, will be reinvested on site through the construction of affordably priced homes for sale to qualified buyers. The MHA continues to support the city's neighborhood revitalization initiative and vision to create more quality affordable ownership housing. Thirty percent, or approximately 15 homes at Montgomery Park will be reserved for low to moderate-income homebuyers to create a model mixed-income community. The MRC is expected to issue a Request for Proposals for developers in late 2007.



*Montgomery Park looking south from Hunt Street at Blair Valley Drive  
Photographed by the MRC Division July 2007*

# Appendix 1

## TAD Boundary Maps







## **Appendix 2**

### **TAD Special Fund**

### **Financial Statements**



City TAD B = Center City South Renaissance

City TAD B = Center City South Renaissance

City TAD B = Center City South Renaissance

City TAD C = Franklin/Gateway

City TAD C = Franklin/Gateway

City TAD D = Center City Perimeter

City TAD D = Center City Perimeter

## Appendix 3

### Marietta Redevelopment Corporation Balance Sheet and Revenue Statement



MARIETTA REDEVELOPMENT CORPORATION  
Operating statement  
June 30, 2007

	United Community Bank		Bank of North Georgia		Total	
	Month	Year to Date	Month	Year to Date	Month	Year to Date
Revenues:						
Investment earnings	\$2.92	\$74.63	\$8,376.64	\$61,414.32	\$8,379.56	\$61,488.95
Expenditures:						
Operating expenses	0.00	5,000.00	0.00	16,486.00	0.00	21,486.00
Capital expenses	0.00	0.00	2,500.00	2,500.00	2,500.00	2,500.00
Total Expenditures	0.00	5,000.00	2,500.00	18,986.00	2,500.00	23,986.00
Excess (deficiency) of revenues over expenditure:	2.92	(4,925.37)	5,876.64	42,428.32	5,879.56	37,502.95
Other financing sources (uses):						
Transfer from City of Marie	0.00	0.00	0.00	2,100,000.00	0.00	2,100,000.00
Net change in fund balance	2.92	(4,925.37)	5,876.64	2,142,428.32	5,879.56	2,137,502.95
Fund balance at beginning of year		17,196.90		0.00		17,196.90
Current fund balance		\$12,271.53		\$2,142,428.32		\$2,154,699.85

MARIETTA REDEVELOPMENT CORPORATION  
Balance Sheet  
June 30, 2007

	Southern National Bank		Bank of North Georgia		Total	
	Month	Year to Date	Month	Year to Date	Month	Year to Date
<b>ASSETS</b>						
Checking accounts		\$12,271.53		\$10,000.00		\$22,271.53
Money Market account		0.00		2,132,428.32		2,132,428.32
Total Assets		12,271.53		2,142,428.32		2,154,699.85
<b>LIABILITIES</b>						
Accounts payable		0.00		0.00		0.00
Due to City - General Fund		0.00		0.00		0.00
Total liabilities		0.00		0.00		0.00
<b>EQUITY</b>						
Fund balance		12,271.53		2,142,428.32		2,154,699.85
Total Liabilities and Fund Balance		\$12,271.53		\$2,142,428.32		\$2,154,699.85



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## MAYOR AND CITY COUNCIL

The Mayor and Council were elected on November 8, 2005, and took office on January 2, 2006 (1<sup>st</sup> Monday) for a four-year term, ending on January 4, 2010 (1<sup>st</sup> Monday). The next election will be held on Tuesday, November 3, 2009.

**Mayor:** William B. Dunaway

**Ward 1:** Annette Paige Lewis

**Ward 2:** Griffin Lee Chalfant, Jr.

**Ward 3:** Holly Marie Walquist

**Ward 4:** Irvan A. "Van" Pearlberg

**Ward 5:** Rev. Anthony C. Coleman

**Ward 6:** James William King

**Ward 7:** Philip M. Goldstein

## MARIETTA BOARD OF EDUCATION

Members of the Marietta Board of Education were elected November 8, 2005, took office on January 1, 2006; four year term ending December 31, 2009. Next election November 4, 2009.

**Ward 1:** Scott Allen

**Ward 2:** Tony Fasola

**Ward 3:** Randy Weiner

**Ward 4:** Jill Crowe Mutimer

**Ward 5:** Jeanie Martin Carter

**Ward 6:** Thomas Alan Smith, Chairman

**Ward 7:** Irene H. Berens, Vice-Chair

## COBB COUNTY BOARD OF COMMISSIONERS

**Chairman:** Samuel S. Olens

**District 1:** Helen Goreham,

**District 2:** Joe L. Thompson,

**District 3:** Tim Lee,

**District 4:** Annette Kesting

Term expire 12/31/2008

Term expire 12/31/2010

Term expire 12/31/2008

Term expire 12/31/2010

Term expire 12/31/2008



*Meeting Park Ground Breaking  
November 2006*

*Photo from left to right:  
Mayor Bill Dunaway, Betty Hunter,  
Councilwoman Annette Lewis, Pete  
Waldrep, Councilwoman Holly Walquist,  
Councilman Anthony Phillip Goldstein,  
Councilman Anthony Coleman,  
Councilman Van Pearlberg.*

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**Marietta Redevelopment Corporation**  
**City of Marietta**  
**205 Lawrence Street**  
**P.O. Box 609**  
**Marietta, Georgia 30060**

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