



MARIETTA
REDEVELOPMENT
CORPORATION

Annual Report

**A comprehensive report of City of Marietta
Tax Allocation Districts and
Fund for Neighborhood and Community Revitalization**

Prepared by the Marietta Redevelopment Corporation

FY 2009

MISSION

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.

ROLE

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.

STRUCTURE

The MRC was authorized by vote of the City Council and later 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.

BACKGROUND

The Marietta Redevelopment Corporation (MRC) is a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code. The MRC serves, as the redevelopment agency of the City of Marietta, at the pleasure of the 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.

BOARD OF DIRECTORS

The MRC Board of Directors are appointed by the City Council for two-year terms. The Chairman and Vice Chairman are selected by the voting members of the Board of Directors.

As of June 30, 2009 the Board of Directors consisted of the following voting directors:



	MRC EXECUTIVES	Ron Francis, Chairman	Terry G. Lee, J.D., Vice Chairman	Mark Gibbs, Treasurer	Diane Lidz, Corporate Secretary
	ELECTED OFFICIALS	Mayor William B. Dunaway	Chairman Samuel S. Olens	Griffin Chalfant, Marietta City Council	Randy Weiner, Marietta BOE
Peter Bilson	Floyd Northcutt	Clint Mays	John Schupp	Brian Strack	Raymond Buday

CHAIRMAN'S LETTER



MARIETTA REDEVELOPMENT CORPORATION
205 Lawrence Street
P.O. Box 609
Marietta, GA 30061-0609
(770) 794-5529
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Dear City Council and Citizens of Marietta:

On behalf of the members of the Marietta Redevelopment Corporation (MRC), it is my pleasure to submit to you the corporation's Annual Report. The report will detail the financial condition of the MRC, provide an overview of Tax Allocation Districts and provide information on the 2010 MRC Work Plan that outlines the goals and objectives of the corporation.

During the year we regrettably had MRC directors Micky Blackwell, Tom Smith, and Wardlyn Bassler decide to not seek re-appointment. We extend our sincere appreciation to them for the countless hours they spent assisting in evaluating projects and establishing the corporation's goals for years to come.

In their place, we welcome three new directors to the MRC: Randy Weiner, Diane Lidz and Pete Bilson. Each one brings tremendous experience in different industries and has already been instrumental in helping refine our goals as we move forward.

Another MRC director, Floyd Northcutt, served as chairman of the MRC for the past two years. While he will remain on the board and move to chair a new MRC marketing subcommittee, I would be remiss if I did not recognize him for his tremendous leadership over his tenure as chairman.

During the past year the MRC was able to purchase 9 parcels in the Hedges Street targeted area. Since some of these properties were not in good condition, six were promptly demolished and returned to green space. The remaining ones will be repaired and rented unless they are deemed cost prohibitive to repair. The new marketing subcommittee will review various options available for marketing the property on Hedges Street, and Mr. Northcutt's MRC knowledge and experience will be invaluable in these deliberations.

As a board, we are committed to see the projects begun by the MRC reach completion. The same economic factors that have affected our county, region and nation have had an impact on the MRC and our plans to undergird development in the City. We look forward to continuing our relationship with the City of Marietta, Cobb County, and the Marietta School District in our collective efforts to support revitalization in our great City.

Sincerely,

A handwritten signature in black ink, appearing to read "Ronald H. Francis".

Ronald H. Francis
Chairman

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INTRODUCTION

This document is the Annual Report of the Marietta Redevelopment Corporation (MRC) for the Fiscal Year Ending June 30, 2009. The annual report includes (1) a review of the MRC’s goals and objectives (2) progress reports on MRC and City initiatives (3) financial review of tax allocation (TAD) districts, (4) financial review of the Marietta Fund for Neighborhood & Community revitalization (Fund), (5) MRC financial statements pertaining to the Corporation’s expenditures and revenues.

This report is intended to comply with the reporting requirements of the Corporation’s Bylaws, and Intergovernmental and Management Agreements between the City and; Cobb County and; the Marietta Board of Education, for the purpose of monitoring the collection and disbursement of future revenues and expenditures within the city’s TADs. I

EXECUTIVE SUMMARY



Dear Citizens and City Council,

I am pleased to present to you this year's Marietta Redevelopment Corporation's Annual Report which will include information on the current conditions of the three Tax Allocation Districts (TAD) and the Marietta Fund for Neighborhood and Community Revitalization, as well as activities of the corporation over the past fiscal year.

Fiscal Year 2009 brought unprecedented changes to our local economy and real estate market. We've witnessed the financial challenges to many of the residential ventures throughout the city. In observation of the local housing climate the MRC contracted regional real estate advisors Smart Numbers Inc., again this year to discuss the state of the current market with us during our annual Board of Directors meeting in June. What we were able to gather from their presentation was a true picture of housing price points and inventory levels that will assist the corporation and the city with housing projects as we move forward with redevelopment.

This fiscal year we began the process to rebrand and remarket the corporation's image and message. Our new website was the first step in the corporations rebranding campaign. Created after several months of review and input from MRC staff and various economic and community development professionals, the website has been a very large success. We have utilized it as a marketing tool to reach developers, entrepreneurs, site selectors, and other economic organizations as well as to educate the public on our purpose and mission.

In FY2009 the MRC staff initiated the first meetings of the Marietta-Cobb New Markets Fund, Inc (MCNMF) and subsequently filed for tax exempt status to the IRS. The purpose of MCNMF is to encourage businesses to investment dollars into hard to serve areas within the community by utilizing federal New Market Tax Credits. To date the MCNMF Board of Directors has adopted Corporate By Laws and considered the formation of an advisory board.

The MRC staff has been charged with taking the lead for the city on the 2009 American Recovery and Reinvestment Act (ARRA). The division developed the Stimulus Taskforce Team composed of city departments and community partners. The goal of the Taskforce is to research, apply for and provide technical assistance on ARRA federal grant opportunities.

Monitoring the financial conditions of the city's three Tax Allocation Districts falls within the duties of the MRC. We are pleased to report on the progress of those three TAD areas. The TAD's only account for 6.02% of the city's 2009 gross digest and only 1,929 of real and personal tax parcels within the City. The annual report contains three years of TAD trend data.

Center City South Renaissance Tax Allocation District

- This year the value of the district grew by 7%
- This year's recognized growth for the district was \$14,809,705
- The value of the district at 100% is \$218,066,133
- Since its 2004 base value year the district has appreciated 78% over its life period.

During the course of the fiscal year we've observed the opening of Emerson Overlook mixed used development within the CCSR TAD. This project is a great example of redevelopment.

Tax Assessed (100%) Valuation 3-Year Trend				
Center City South Renaissance				
2004 Base Value:	\$122,421,360	2007	2008	2009
Assessed Value (100%)		\$ 181,461,778	\$ 203,256,428	\$ 218,066,133
Annual Change in Value		\$ 34,190,503	\$ 21,794,650	\$ 14,809,705
Annual Growth Rate		23%	12%	7%
Total Change in Value		\$ 59,040,418	\$ 80,835,068	\$ 95,644,773
Total Growth (Life of District)		48%	66%	78%

City Center Perimeter Tax Allocation District (CCP)

The completion of the pedestrian sky bridge at the Atlanta Northern site is a great accomplishment after several years of designs and negotiations between developer Gary Eubanks, CSX railroad and GDOT. Due to the current state of the financial and real estate markets this district has experienced a decrease in value for the first time in its existence.

- This fiscal year the assessed value of the district was \$77.7 million compared to \$80.2 million last fiscal year
- Total growth over the life of the district continues to remain strong at 10% for FY 2009

Tax Assessed (100%) Valuation 3-Year Trend				
Center City Perimeter				
2005 Base Value:	\$70,886,893	2007	2008	2009
Assessed Value (100%)		\$ 76,427,690	\$ 80,292,675	\$ 77,746,130
Annual Change in Value		\$ 3,129,365	\$ 3,864,985	\$ (2,546,545)
Annual Growth Rate		4%	5%	-3%
Total Change in Value		\$ 5,540,798	\$ 9,405,783	\$ 6,859,238
Total Growth (Life of District)		8%	13%	10%

Franklin /Gateway Tax Allocation District

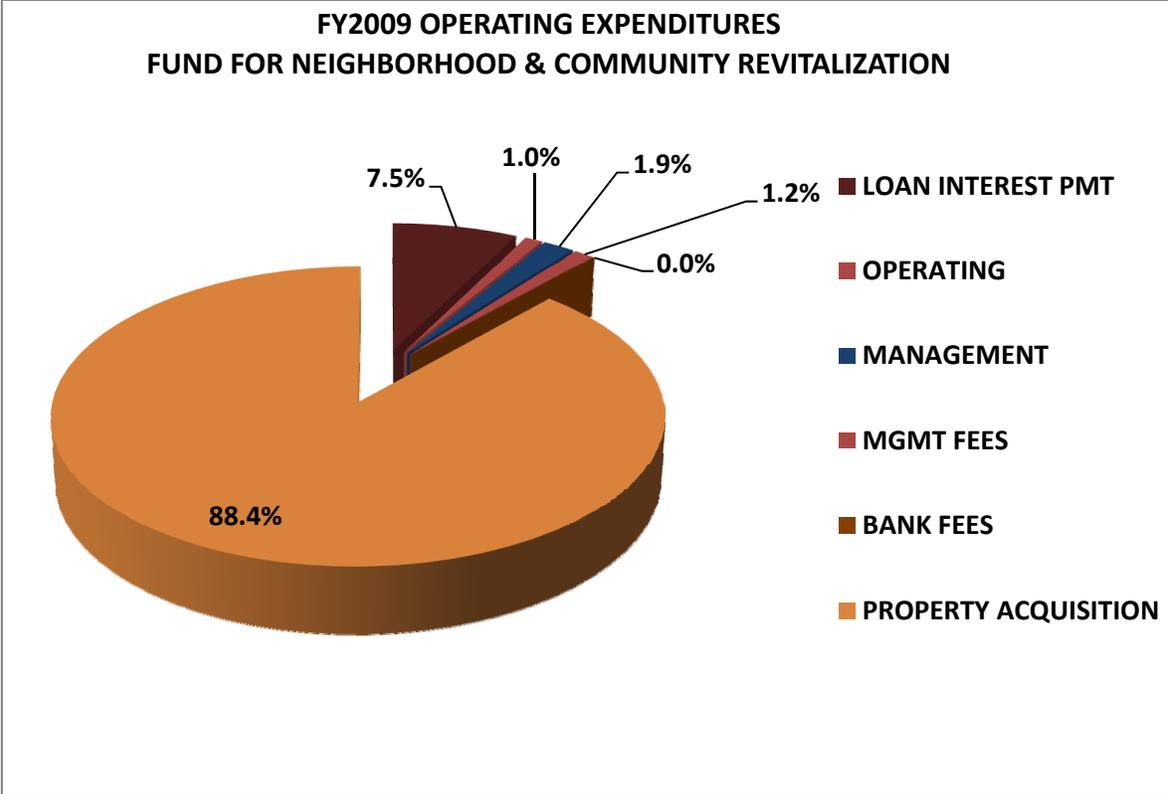
The Franklin/ Gateway TAD experienced several unconstructive market related events this past fiscal year. A number of the apartment complexes reported high vacancies and several of those complexes went into foreclosure. However, City staff and the Marietta Housing Authority worked jointly to apply for a Neighborhood Stabilization Program 2 (NSP2) HUD grant to purchase two of the apartment complexes for future redevelopment.

- Total growth (life of district) for FY 09 was 5%
- There was a -4% growth rate for this fiscal year
- The total change in value for the district was \$8.6 million which is down from last year's \$13.7 million

Tax Assessed (100%) Valuation 3-Year Trend				
Franklin Gateway				
2004 Base Value:	\$161,623,725	2007	2008	2009
Assessed Value (100%)		\$ 179,983,555	\$ 177,115,978	\$ 170,231,900
Annual Change in Value		\$ (16,366,655)	\$ (2,867,578)	\$ (6,884,078)
Annual Growth Rate		-8%	-2%	-4%
Total Change in Value		\$ 18,359,830	\$ 13,173,030	\$ 8,608,175
Total Growth (Life of District)		11%	8%	5%

Marietta Fund for Neighborhood and Community Revitalization

This year the corporation with the support of our partner the Bank of North Georgia was able to acquire 9 properties, increasing our real estate holdings to 27 parcels and our commitment to bring change to the Hedges and West Dixie area. This neighborhood continues to be a focal point of the MRC redevelopment efforts. We are within ninety percent of completing our property acquisitions within that neighborhood. This fiscal year saw the corporation remove one blighted property with the assistance of the Marietta Fire Department. There are plans to remove several other properties during the next fiscal year.



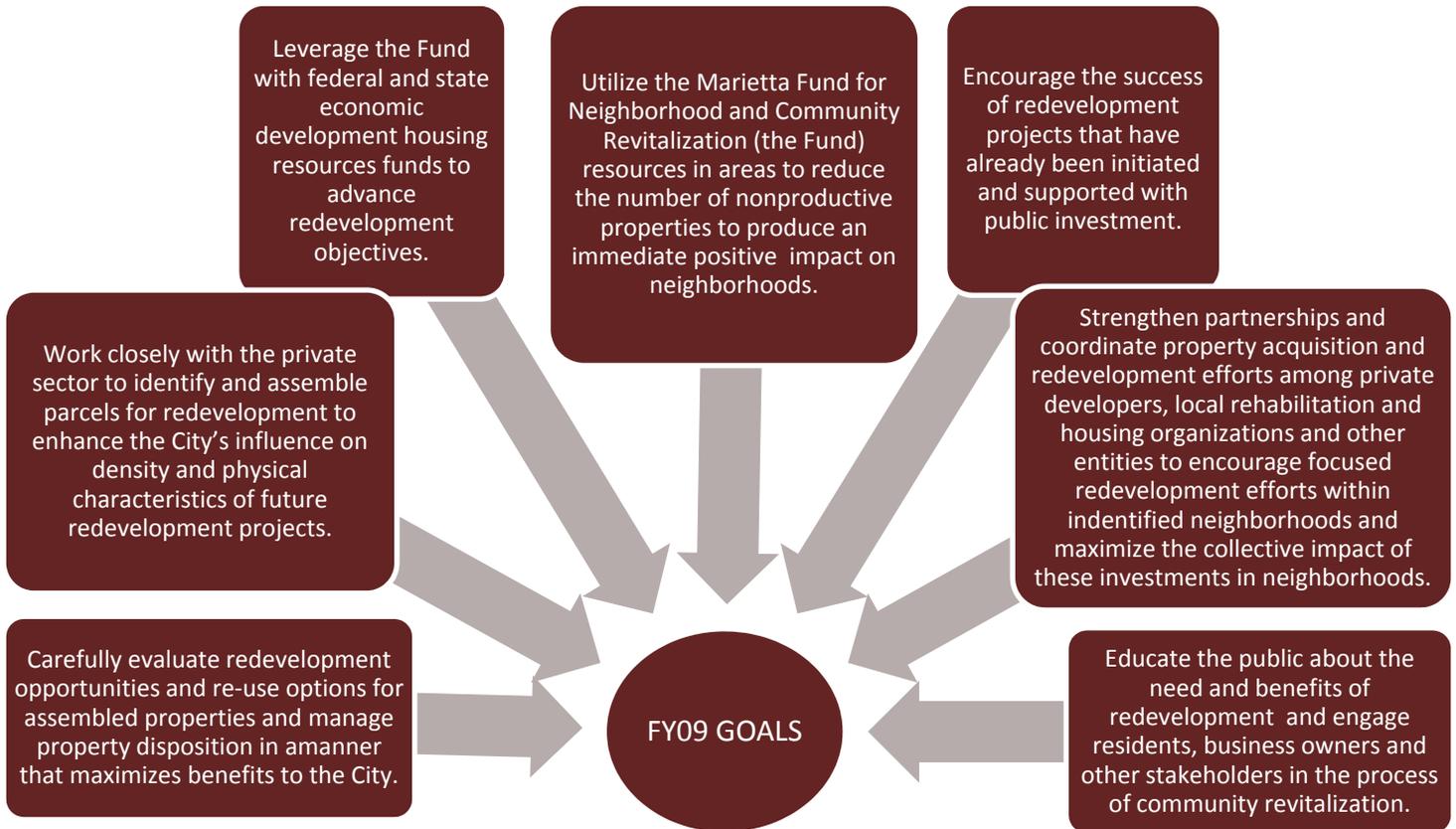
- The corporations end of fiscal year operating expenses totaled \$217,994 which includes the LOC interest payments, property maintenance & management and demolition cost.
- Assets last fiscal year totaled \$6.1 million which includes purchased parcels and cash holdings.
- The corporations revenues for the fiscal year amounted to \$136,648.

This past fiscal year the MRC worked intensely to continue its mission to eliminate blight and to promote quality economic and redevelopment opportunities for the citizens of Marietta. We thank our community partners the Marietta School District, Marietta Housing Authority, Cobb County and the City of Marietta for their continuous support of the MRC Board of Directors and staff.

Yours very truly,

Reggie A. Taylor
 Reggie A. Taylor, Executive Director
 Marietta Redevelopment Corporation

ACHIEVEMENTS AND PROGRESS TOWARDS GOALS



MARKET CONDITIONS & CONSTRUCTION

During FY09 market conditions continued to slow the pace of residential and mixed-use development in Marietta. Despite the challenging market, more than 60 residential units were built and 45,000 square feet of commercial real estate was leased in the city's first TAD. This market activity was lead by the completion of the Emerson Overlook mixed-use building and homes at Meeting Park and Manget at Historic Marietta.

Once again the MRC engaged the services of Smart Numbers, Inc. to conduct a residential sales analysis of the "Marietta Market Area" to draw conclusions regarding market driven price points and housing inventory levels.

Their findings suggests that the peak price point for Townhomes inside Marietta is between \$225,000 to \$250,000. While the peak price point out side of the city is \$175k to \$200k. They also observed that the highest demand point for a Single-family detached home is from \$175,000 to \$275,000.

Conclusions of the study regarding price points have held true based on increased sales at lower price points at Manget and other developments in the city. The executive summary of the Smart Numbers Inc. real estate marketing analysis is available on online at www.mariettaga.gov/mrc. Construction activity in FY09 included pipeline projects breaking ground and reaching various stages of completion. Construction within the city will continue in FY10 with the new Cobb County Court facility and the new First Landmark Bank building.

Publicly funded infrastructure projects began or continued construction in FY09 including the TAD funded Roswell Renaissance District project and SPLOST improvements for Roswell Street, Fairground Street and Powder Springs Road.

The MRC staff will continue to monitor the various financial and real estate markets including residential, commercial lending and bond markets in order to properly advise the city and MRC board of directors.

RECRUITMENT

In FY2009, MRC staff held site visits with at least 17 prospective developers with interest in the various redevelopment areas within the city. Sites were marketed primarily through staff direct contact, leads generated at industry events or by Board members network relationships.

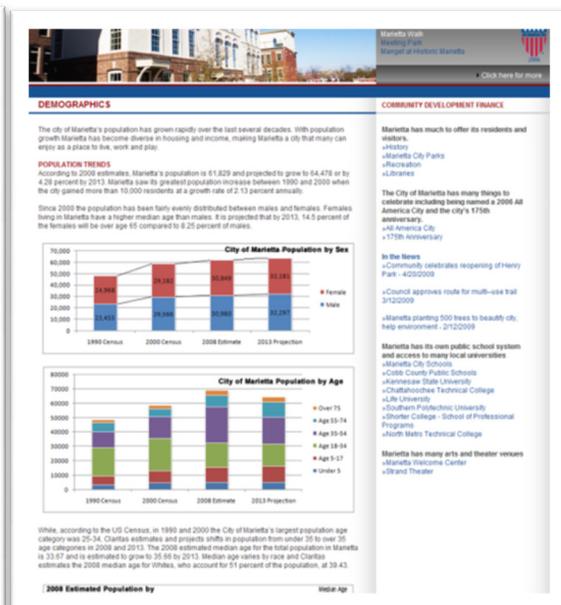
Opportunities for marketing at regional and national events were limited in FY09 and attendance at most events continues to decline due to the current market conditions. The MRC continues to maintain membership with Urban Land Institute and the International Council of Shopping Centers to build relationships and identify potential Developers and clients.

The launching of the new MRC webpage was designed to recruit, market and highlight the city's redevelopment efforts to a greater network of viewers. This new website will serve as tool for the MRC to reach out to the local citizens, developers and the business community.

This year the staff and board members will work to inform the area realtors, businesses and potential home buyers of the amenities within the redevelopment neighborhoods. Staff plans to engage a retail marketing firm to assist the city and MRC to identify areas within the city that could become consumer places of destination. This year staff published the "MRC Score Card" as a means to provide direct information on the corporation's past fiscal year activities.



The screenshot shows the homepage of the Marietta Redevelopment Corporation. It features a navigation menu with links for Home, About MRC, Programs, Community Profile, Redevelopment Projects, and Contact Us. A prominent banner highlights the 'ALL-AMERICA CITY AWARD' won by Marietta. Below this, there are sections for 'REDEVELOPMENT PROJECTS' with a map, 'EXECUTIVE DIRECTOR'S MESSAGE' from the Mayor, and 'FACTS ABOUT MARIETTA'. The page also includes links for 'DEVELOPERS & BUILDERS', 'BUSINESS & INDUSTRY', 'RESIDENTS & VISITORS', and 'FOLLOW US ON' with a Twitter link. A 'Stimulus Resource Center' logo is also visible.



The screenshot shows the 'DEMOGRAPHICS' section of the Marietta Community Profile. It includes a 'POPULATION TRENDS' section with a bar chart showing population growth from 1990 to 2013. Below this is a 'City of Marietta Population by Sex' bar chart and a 'City of Marietta Population by Age' bar chart. The page also lists various community resources and services, such as libraries, schools, and parks.

Year	Male	Female
1990 Census	21,400	21,400
2000 Census	20,344	20,344
2008 Estimate	20,344	20,344
2013 Projection	21,148	21,148

Year	Under 5	Age 5-17	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Over 65
1990 Census	~10,000	~10,000	~10,000	~10,000	~10,000	~10,000	~10,000	~10,000
2000 Census	~10,000	~10,000	~10,000	~10,000	~10,000	~10,000	~10,000	~10,000
2008 Estimate	~10,000	~10,000	~10,000	~10,000	~10,000	~10,000	~10,000	~10,000
2013 Projection	~10,000	~10,000	~10,000	~10,000	~10,000	~10,000	~10,000	~10,000

Left: MRC homepage
www.mariettaga.gov/mrc
 Right: MRC Community Profile Demographics page

MRC SCORE CARD

- > 1st TAD Bond payment
- > Created new MRC webpage
- > Demolished a blighted property
- > Conceptual Hedges Road Redesign
- > Acquired 9 parcels within the target area
- > Conducted 17 site meetings with potential developers
- > Secured accounting services to ensure MRC compliance with IRS nonprofit accounting procedures
- > Completed the MRC Annual Work Program and revised MRC operating Policies & Procedures
- > MRC lead staff for Marietta's ARRA Stimulus Grant Taskforce
- > Applied for \$1 million Economic Development Administration Federal Grant
- > Established the MRC Real Estate and Executive Committees
- > Roswell Renaissance Dist. Streetscape improvements underway
- > Completed renovations to Henry Park



FY2009 INITIATIVES

MRC OPERATIONS

In FY2009 the MRC launched several initiatives to improve our corporate operations and ensure the sustainability of the corporation to undertake its mission. These initiatives include redesign and expansion of the MRC website and hiring of Moore & Cubbedge to assist the nonprofit with income tax filing and preparation. The MRC also works closely with the Marietta Department of Finance on accounting and procurement.

This past fiscal year saw the MRC form a Real Estate and Executive subcommittees to focus on specific task and objectives of the corporation. The Executive Committee is formed by the Chairman, Vice Chairman, Treasurer and Secretary who are the elected officers of the corporation. The responsibilities of the Executive Committee are:

- Manage the financial and executive affairs of the corporation
- Governance of the organizations board of directors
- Represent the corporation to the public (marketing and community relations)

The duties of the Real Estate subcommittee are:

- Analyze and review the conditions of the corporations property holdings
- Address property management and tenant issues
- Develop the land utilization concepts and recruit developers to invest in the city of Marietta

Through increased management controls the corporation was able to revise operating policies and financial procedures to allow for greater accountability of the day to day operations.

FUND FOR NEIGHBORHOOD AND COMMUNITY REVITALIZATION

In FY2009 the MRC continued to acquire and manage real property through its acquisition Fund. Nine (9) parcels were acquired in the fiscal year bringing the total number of parcels owned and managed by the MRC to 30. In addition to acquisition, the Fund was utilized for strategic property renovations and demolitions.

The corporation this fiscal year entered into a new property management services contract with McNeel Building Systems. Utilizing the services of McNeel will assist the corporation with maintenance and code compliance of the MRC properties.

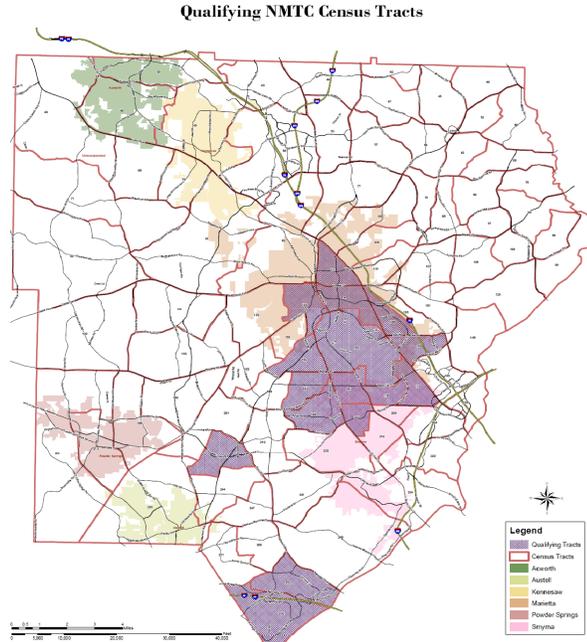
In support of Fund acquisitions the MRC designed a road to facilitate redevelopment of its 13-acre development site and applied for a grant to the Economic Development Administration to fund construction of a new road on the Hedges Street redevelopment site.



Photo: Marietta Fire Department (MFD) training at 44 West Dixie Avenue. MFD fire training was used as an alternative form of building demolition at 44 West Dixie Avenue in May 2009.

NEW MARKET TAX CREDITS

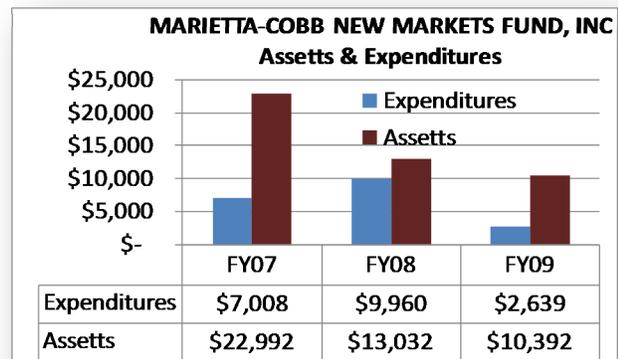
In FY09 the MRC continued to participate in the Marietta-Cobb New Markets Fund, Inc. (MCNMF), through membership on the Board of Directors and shared staffing of the MRC Executive Director. MCNMF was created in 2007 through a partnership with the Marietta Housing Authority, City of Marietta and Cobb County with each organization contributing \$10k towards start-up capitalization. Incorporated in 2008, MCNMF seeks to provide assistance to a wide range of private business enterprises in Qualifying Low-Income Communities within Cobb County with funds secured through New Markets Tax Credit (NMTC) investments.

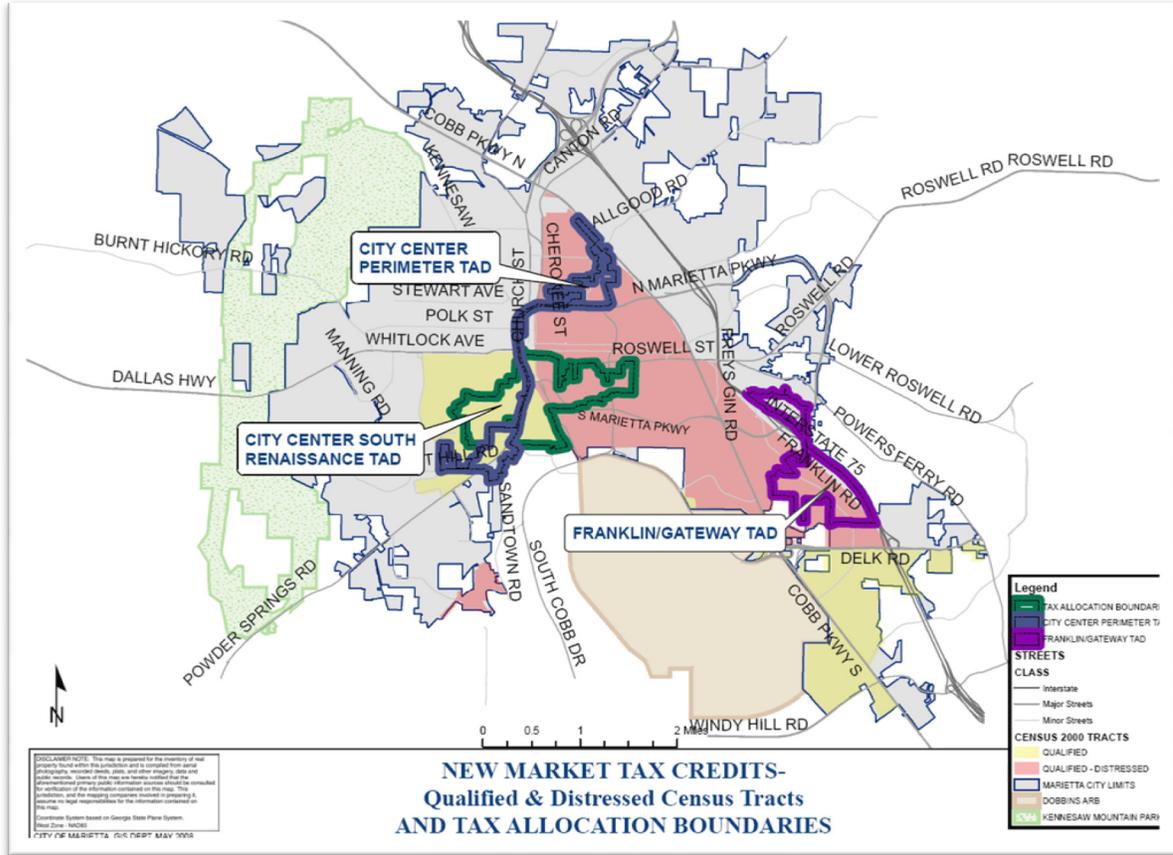


This fiscal year Michael Hughes, Cobb County's Economic Development Director, will serve as the Chairman of the MCNMF Board. The MCNMF continued its efforts to seek tax exempt non-profit status and certification as a Community Development Entity (CDE). Board of Directors meetings were held during the year, MCNMF by-laws were adopted and Directors considered formation an Advisory Board.

Each year, the NMTC program offers a seven-year, 39 percent federal tax credit for Qualified Equity Investments (QEI) made through investment vehicles known as Community Development Entities (CDE) and provides private-sector investors (e.g., banks, insurance companies, corporations, and individuals) with federal income tax credits in return for new investments in eligible businesses, ranging from small business startups to real estate development. MRC staff has begun to build relationships with finance professionals and Developers experienced and focused on New Market Tax Credit redevelopment projects. The MCNMF Executive Director convened with national Developers and other professionals in an effort to build a project pipeline once the CDE is fully operational. CDEs use capital derived from the tax credits to make loans and capital investments in businesses in underserved areas and projects in low income areas.

In FY09, funds were utilized by the organization to support the certification of a CDE and leveraging NMTC for projects in Marietta and unincorporated Cobb County. MCNMF contracted legal and professional services with Arnold Golden and Gregory, LLP, Reznick Group, PC and Haynie Litchfield and Crane, PC. In addition the Board of Directors utilized funds for staff training.



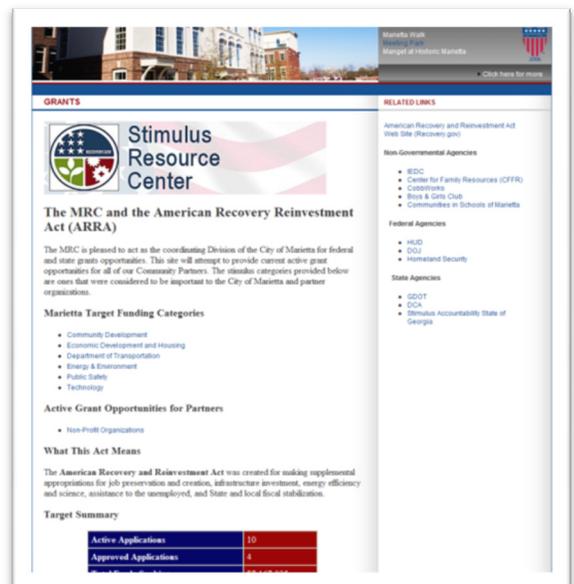


Under the NMTC program eligible areas are categorized as “Qualified” or “Qualified Distressed.” Qualified Distressed areas, shown in red on the map above, are eligible for maximum incentive offered through the NMTVC program. In Marietta, these areas overlap with the City’s Tax Allocation Districts, and include all of Franklin Road and the Allgood Road, North Fairground and North Marietta Parkway areas. The Hedges/Gramling Neighborhood and Powder Springs Corridor, areas where the MRC has focused resources over the last two years, is categorized as a Qualified area and projects undertaken may also be eligible for NMTC financing.

AMERICAN RECOVERY REINVESTMENT ACT

The MRC received the additional responsibility as the city’s lead division for federal grants and projects funded by 2009 American’s Recovery Reinvestment Act (ARRA). The division swiftly developed the Stimulus Taskforce Team composed of various city departments and community partners. The goal of the Taskforce is to research, apply for and provide technical assistance on ARRA federal grant opportunities to maximize the collective ability of the Marietta community to increase the opportunity at receiving federal grant funding.

The Stimulus Resource Center link can be on the MRC homepage at www.mariettaqa.gov/mrc



Stimulus Resource Center

The MRC is pleased to act as the coordinating Division of the City of Marietta for federal and state grant opportunities. This site will attempt to provide current active grant opportunities for all of our Community Partners. The stimulus categories provided below are ones that were considered to be important to the City of Marietta and partner organizations.

Marietta Target Funding Categories

- Community Development
- Economic Development and Housing
- Department of Transportation
- Energy & Environment
- Public Safety
- Technology

Active Grant Opportunities for Partners

- Non-Profit Organizations

What This Act Means

The American Recovery and Reinvestment Act was created for making supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization.

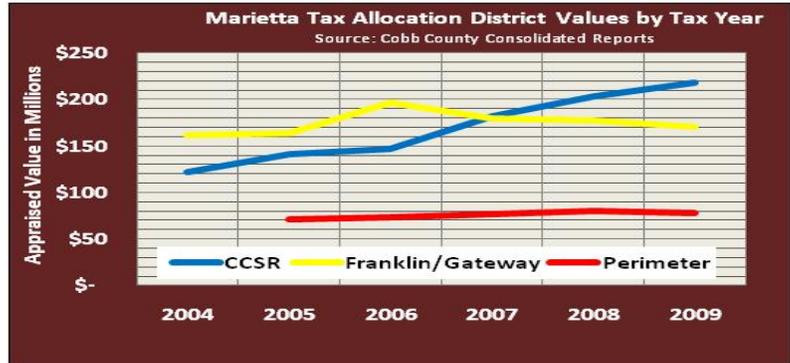
Target Summary

Active Applications	10
Approved Applications	4

TAX ALLOCATION DISTRICTSⁱ

SUMMARY OF PROGRESS & GROWTH IN TADS

Tax Allocation Districts represent 6.02 percent of the city’s 2009 gross tax digest. In FY09, the Center City South Renaissance (CCSR), Center City Perimeter and Franklin/Gateway TADs together included 1,929 real and personal property tax parcels and almost 1,100 acres of land. The districts experienced various levels of growth and has captured \$111.1 million in growth in real and personal property tax assessments over the life of the districts. The table and graph below illustrate the growth in the TADs and provide current annual growth and 5-year growth rates for the districts.



	BASE VALUE (in millions)	2009 VALUE (in millions)	08-09 GROWTH	5-YEAR GROWTH
Center City South Renaissance	\$122.4	\$218.0	7%	78%
Franklin/Gateway	\$161.6	\$170.2	5%	4%
Center City Perimeter	\$70.9	\$77.7	3%	5%

City Center South Renaissance Tax Allocation District (CCSR)

The CCSR TAD continues to see growth in the face of a historic downturn of the economy. Winter Development was able to construct fifteen townhome units on the Meeting Park site during the current conditions of the market. The addition of Emerson Overlook a mixed-use facility will have an immediate positive impact on the property values in the CCSR district. This redevelopment project is currently valued at approximately \$17 million dollars.

This district also includes the Manget development which experienced similar market issues this fiscal year as did most developers within our region. BB&T has stated that they will continue to move this redevelopment project forward to finish the vertical units on site. We are very fortunate that Pam Sessions has been retained by BB&T as the project manager for the completion of this development. Several of the single family homes have been sold at significant price reductions due to current real estate conditions. In spite of a difficult real estate market, 10 Single Family homes and 11 Townhomes units were able to be sold at Manget at Historic Marietta.

This year we have also seen the completion of remaining infrastructure items at Frasier Circle. The small number of remaining infrastructure projects and professional services were completed timely and under budget. Several of the homes at the Village at Frasier Park were purchased this year as well.

The Marietta Walk redevelopment site received several inquiries from interested investors. The MRC staff and Myrick Real Estate team partnered together on several occasions to present the site to developers and other interested parties. We will continue to recruit aggressively to market the site to investors, corporations and developers. Marietta Walk will be featured on the MRC website as a “shovel ready” location for interested investors.

This fiscal year we saw the completion of the renovations to Henry Park. TAD funds were used for the excellent renovations of the park. This project was a joint effort between the neighborhood residents and the city's Parks and Recreation staff along with the Marietta Redevelopment staff.



Franklin/Gateway Tax Allocation District

The Franklin Road TAD area has experienced several challenges this fiscal year to include foreclosures of several the apartment complexes, elevated vacancy rates as well as reports of reduced rents from apartment managers. To address the declining conditions on Franklin Road the MRC and city staff worked in partnership with the Marietta Housing Authority to submit a \$20 million dollar grant request for federal stimulus funds under the Neighborhood Stabilization Program 2 (NSP2) from the Department of Housing and Urban Development (HUD). The NSP2 grant funds would be utilized to acquire apartment complexes, demolish those sites, then land bank those areas for future redevelopment. During the course of the year city leadership made major progress on the former Chili's restaurant site adjacent to the Crowne Plaza Hotel. The owner has proposed to city council that the site become a office complex. Once completed, the office building would help to facilitate the efforts to eliminate blight from the Franklin Road and South Marietta Parkway corridor.

City Center Perimeter Tax Allocation District

The completion of the pedestrian sky bridge at the Atlanta Northern site is a great accomplishment after several years of designs and negotiations between developer Gary Eubanks, CSX railroad and GDOT. Due to the current state of the financial and real estate markets this district has experienced a decrease in value for the first time in its existence. The loss of businesses located within its southern boundary will account for most of its decline. The MRC staff has communicated with developers regarding the potential redevelopment opportunities of the Powder Springs Road and Sandtown Road area.

The northern area of the district has seen several rental properties go vacant. The highlight of that particular section of the district will be the new First Landmark Bank branch building located on North Marietta Parkway which is scheduled to be completed spring of next year. The district will also see road improvements in 2010 at the intersection of Chestnut Hill Road and

Powder Springs Road. This SPLOST funded redesign of this intersection will include enhanced landscaping and improved traffic controls.

SOURCES AND USES OF TAD FUNDS

The following sections summarize redevelopment expenses incurred to date and revenues collected and held in TAD special funds. 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 and their base and current values are shown in the table below. Growth in FY09 is contributable to project growth at Meeting Park and Emerson Overlook. Both project areas had low base values due to previous ownership by the Marietta Housing Authority or underutilization.

Redevelopment Project 2009 Tax Value Estimates				
Center City South Renaissance Projects		Full Market Value		
Location	Name	[1] At Certification	Current/2009	[2] % Growth
Johnny Walker Homes	Marietta Walk	\$ 484,790	\$ 3,129,090	545%
Clay Homes	Meeting Park	\$ 244,250	\$ 24,500,850	9931%
Manget Street	Manget	\$ 6,180,773	\$ 14,105,140	128%
Frasier Circle	Village at Frasier Park	\$ 4,362,480	\$ 7,226,720	66%
328 Roswell Street	Emerson Overlook	\$ 839,130	\$ 16,953,310	1920%
319 Atlanta Street	Marietta Mill Lofts	\$ 519,790	\$ 10,297,680	1881%
Waterman & Coryell Street	Hunter Walk	\$ 933,220	\$ 2,290,490	145%
CCSR Totals		\$ 13,564,433	\$ 78,503,280	479%
Center City Perimeter Projects				
Polk Street	Atl. Northern Building	\$ 457,770	\$ 534,940	17%
Lyman Homes	Montgomery Park	\$ -	\$ -	N/A
CCP Totals		\$ 457,770	\$ 534,940	17%
Sources:				
2009 Values: City of Marietta GIS October 2009, Prepared by the Marietta Redevelopment Corporation September 2008				
Certified Values - Marietta Redevelopment Corporation, 2004-2005				
[1] The CCSR TAD was certified with 2004 Tax Values, The Center City perimeter TAD was certified with 2005 Tax Values				
[2] Total growth within specified project area since Tax Allocation District certification.				

Tax increment generated by growth within these project areas, as well as increment from natural growth, generates the revenues used to make CCSR TAD bond payments.

Tax Assessed (100%) Valuation 3-Year Trend				
Center City South Renaissance				
2004 Base Value:	\$122,421,360	2007	2008	2009
Assessed Value (100%)		\$ 181,461,778	\$ 203,256,428	\$ 218,066,133
Annual Change in Value		\$ 34,190,503	\$ 21,794,650	\$ 14,809,705
Annual Growth Rate		23%	12%	7%
Total Change in Value		\$ 59,040,418	\$ 80,835,068	\$ 95,644,773
Total Growth (Life of District)		48%	66%	78%



Declining values in the Franklin/Gateway and CCP TAD are contributable to declining multifamily rental property on Franklin Road and lower valued commercial property along the Powder Springs Road Corridor. While no bond has been issued for projects within the district, the City collects increment generated by the construction of the pedestrian bridge and elevator located next to the Atlanta Northern Traction Co. Building site. The bridge was constructed in preparation for the pending 36,000 square feet Class-A office space to be built on the adjoining site.

Tax Assessed (100%) Valuation 3-Year Trend			
Franklin Gateway			
2004 Base Value: \$161,623,725	2007	2008	2009
Assessed Value (100%)	\$ 179,983,555	\$ 177,115,978	\$ 170,231,900
Annual Change in Value	\$ (16,366,655)	\$ (2,867,578)	\$ (6,884,078)
Annual Growth Rate	-8%	-2%	-4%
Total Change in Value	\$ 18,359,830	\$ 13,173,030	\$ 8,608,175
Total Growth (Life of District)	11%	8%	5%
Center City Perimeter			
2005 Base Value: \$70,886,893	2007	2008	2009
Assessed Value (100%)	\$ 76,427,690	\$ 80,292,675	\$ 77,746,130
Annual Change in Value	\$ 3,129,365	\$ 3,864,985	\$ (2,546,545)
Annual Growth Rate	4%	5%	-3%
Total Change in Value	\$ 5,540,798	\$ 9,405,783	\$ 6,859,238
Total Growth (Life of District)	8%	13%	10%

TAX ALLOCATION INCREMENTS (REVENUES)

As of June 30, 2009 the City of Marietta Finance Department has collected \$2,123,977 in city, county and school tax increment from the CCSR TAD. Increment collections were used to make the first \$851,155 CCSR TAD Bond payment. Remaining CCSR increment collections at the end of the fiscal year totaled \$1,272,842.

TAD Special Fund Collections: As of June 30, 2009				
TAD 1 - Center City South Renaissance				
Revenue Source	FY04-FY09	FY2009	FY2008	FY2007
City Taxes	\$ 174,716	\$ 77,289	\$ 54,112	\$ 24,906
County Taxes	\$ 401,258	\$ 162,836	\$ 146,301	\$ 57,219
School Taxes	\$ 1,139,419	\$ 484,363	\$ 379,219	\$ 157,881
Penalties & Interest Taxes	\$ 12,802	\$ 8,027	\$ 3,281	\$ 1,122
Investment Income (TAD Bond) [1]	\$ 395,802	\$ 14,433	\$ 107,991	\$ 178,635
TOTALS[2]:	\$ 2,123,997	\$ 746,948	\$ 690,904	\$ 419,764
Notes: [1] Includes interest earnings on the unexpended balance of the CCSR TAD Bond.				
[2] Table shows collections only and does not reflect December 2008 bond payment of \$851,154.82				

In FY09, City tax increment collections for the Franklin/Gateway TAD totaled \$16,259. Collections since the district was certified in 2004 totaled \$69,217, as of June 30, 2009.

TAD Special Fund Collections: As of June 30, 2009				
TAD 2 - Franklin/Gateway				
Revenue Source	FY05-FY09	FY2009	FY2008	FY2007
City Taxes	\$ 52,659	\$ 16,158	\$ 15,964	\$ 35,694
Penalties & Interest Taxes	\$ 299	\$ -	\$ 232	\$ 66
Investment Income	\$ -	\$ 101	\$ -	\$ -
TOTALS:	\$ 69,217	\$ 16,259	\$ 16,197	\$ 35,760

The City collected, \$63,320 in city, county and school tax increment from the Center City Perimeter TAD in FY2009. Collections since the district was certified in 2005 total \$125,238. The balance of collections in the district as of June 30, 2009 was \$67,568. The TAD Special Fund balance was reduced by a October 2008 transfer of \$57,670 to the Marietta City Schools pending the results the state referendum to restore the constitutional rights granted in the Georgia Redevelopment Powers Act.

TAD Special Fund Collections: As of June 30, 2009				
TAD 3 - Center City Perimeter				
Revenue Source	FY06-FY09	FY2009	FY2008	FY2007
City Taxes	\$ 16,358	\$ 8,976	\$ 5,186	\$ 2,195
County Taxes	\$ 12,873	\$ 9,441	\$ 3,432	\$ -
School Taxes	\$ 95,383	\$ 44,682	\$ 36,354	\$ 14,347
Penalties & Interest Taxes	\$ 624	\$ 221	\$ 330	\$ 73
Investment Income	\$ -	\$ -	\$ -	\$ -
TOTALS: [3]	\$ 125,238	\$ 63,320	\$ 45,302	\$ 16,616

Notes:[1] Includes interest earnings on the unexpended balance of the CCSR TAD Bond.
[2] Table shows collections only and does not reflect return of \$57,670.48 in increment collections to Marietta City Schools.

REDEVELOPMENT BOND EXPENDITURES

2005 Center City South Renaissance TAD Bond as of June 30, 2009				
Category/Description	Allocation[1]	Deposits	Withdrawals	Remainder
Bond Issue December 2005	\$ 8,400,000	\$ 8,400,000	\$ 5,888,366	\$ 2,511,634
Interest Earnings through June 30, 2009	\$ -	\$ 395,802	\$ -	\$ 395,802
Transfer to Bond Reserve Fund	\$ 840,000	\$ -	\$ 840,000	\$ -
Capitalized Interest Paid	\$ 714,100	\$ -	\$ 705,957	\$ 8,143
2005 TAD Bond		\$ 8,795,802	\$ 7,434,323	\$ 1,361,479

Notes:[1] Allocations per 2005 TAD bond issue.

As of June 30, 2009 \$7,434,323 has been utilized for projects, capitalized interest payments and bond reserve held in escrow by BB&T. FY09 project assistance totaled \$196,456, of which \$57,670 was used to complete remaining infrastructure projects at Frasier Park. At the close of FY09, \$978,922 has been expended on direct project assistance in addition to \$4,909,444 spent on public initiatives. As of June 30th, \$880,456 remained from bond proceeds for expenditures on public infrastructure improvements in the Roswell Renaissance District.

2005 Center City South Renaissance TAD Bond Project Expenditures as of June 30, 2009				
Category/Description	Allocation[1]	Deposits	Withdrawals	Remainder
Marietta Mill Lofts	\$ 400,000	\$ -	\$ 400,000	\$ -
Village at Frasier Park [2]	\$ 660,000	\$ -	\$ 578,922	\$ 81,078
Project Assistance	\$ 1,060,000		\$ 978,922	\$ 81,078
Acquisition & Carry Cost for Site Assemblage [3]	\$ 3,837,000	\$ -	\$ 3,767,935	\$ 69,065
TAD Bond Issuance Expenses [4]	\$ 127,900	\$ -	\$ 119,830	\$ 8,070
Henry Park Improvement Project [5]	\$ 475,000	\$ -	\$ 845,348	\$ (370,348)
Renaissance District Improvement Project	\$ 1,350,000	\$ -	\$ 176,331	\$ 1,173,669
Public Initiatives	\$ 5,789,900		\$ 4,909,444	\$ 880,456
Project Totals	\$ 6,849,900		\$ 5,888,366	\$ 961,534

Notes:[1] Allocations per 2005 TAD bond issue
[2] The City of Marietta is utilizing remaining TAD funds to complete infrastructure improvements.
[3] Property acquisition and carry cost are for the Manget and Johnny Walker Homes redevelopment projects.
[4] TAD bond issuance expenses include bond legal fees and closing cost and intergovernmental agreement legal fees.
[5] Funding shortfall paid from Renaissance allocation.



MARIETTA FUND FOR NEIGHBORHOOD AND COMMUNITY REVITALIZATION “THE FUND”

FUND STRUCTURE OBJECTIVES, GOALS AND PROGRESS

The Marietta Fund for Neighborhood and Community Revitalization (Fund) is a land acquisition program created by the Marietta City Council in 2006. The MRC utilizes the Fund to acquire properties for reconfiguration or redevelopment and purchase external professional and technical services. The MRC and City Council adopt Fund objectives, goals (listed below) and strategies through an Annual Work Program.

FUND WORK PROGRAM GOALS FISCAL YEAR 2009 – 2011

The MRC’s goals are based on access to capital and public funding, market conditions and the needs of the community.

GOAL I. Assemble sites for redevelopment purposes in blighted neighborhoods and commercial corridors identified in the Fund Work Program.

GOAL II. Target the Fund first to neighborhoods and areas with the greatest need for revitalization.

GOAL III. Focus acquisition efforts primarily on properties which are not being actively pursued by the private sector or other public redevelopment agencies

GOAL IV. 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.

GOAL V. Use the Fund where possible to acquire “problem properties” that are negatively impacting surrounding neighborhoods.

UTILIZATION OF FUND RESOURCES

In FY09 the MRC used the Fund to acquire nine (9) real estate parcels and manage assets including land lots and single family and duplex rental properties. Acquisitions were financed through the MRC’s interest only LOC at prime with the exception of a parcel acquired through a trade of MRC owned property. During the fiscal year, one single family structure was raised through a partnership with the City of Marietta who utilized the structure for Fire Department training over a 3 day period.

FY09 Property Acquisition, Disposition and Demolition			
Activity	Parcel with Single Family structures	Parcels with Duplex structures	Vacant land parcels
Acquisitions	4	3	2
Dispositions	0	2	0
Demolitions	1	0	0

The MRC closed the fiscal year with ownership of six single family structures, nineteen duplexes and four vacant land parcels. The MRC expended \$1,879,660 in FY09 and ended the fiscal year with a cash balance of \$1,288,076 and real estate assets totaling \$4,894,613 The following tables and graphs provide details on fund assets, expenditures and revenues for FY09.

FIGURE 1

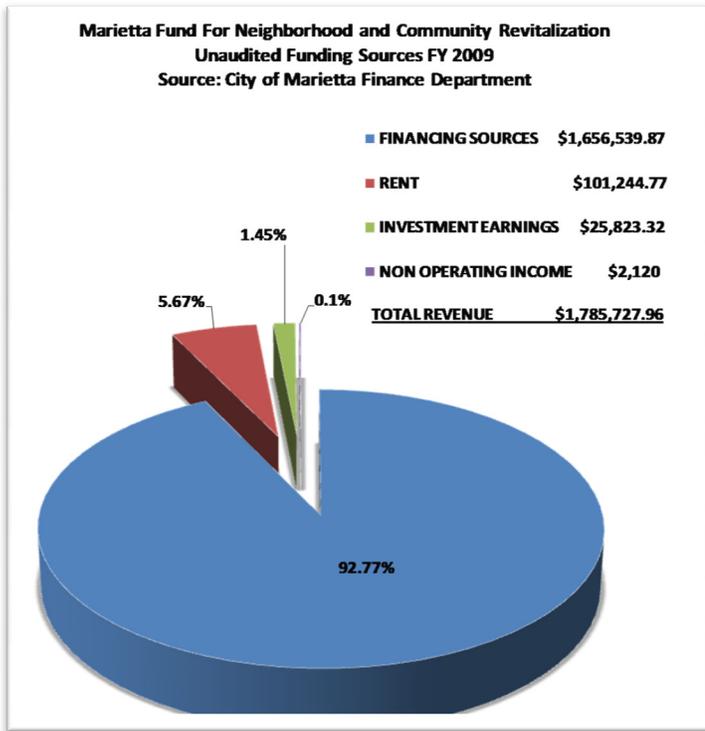


FIGURE 3

FIGURE 2

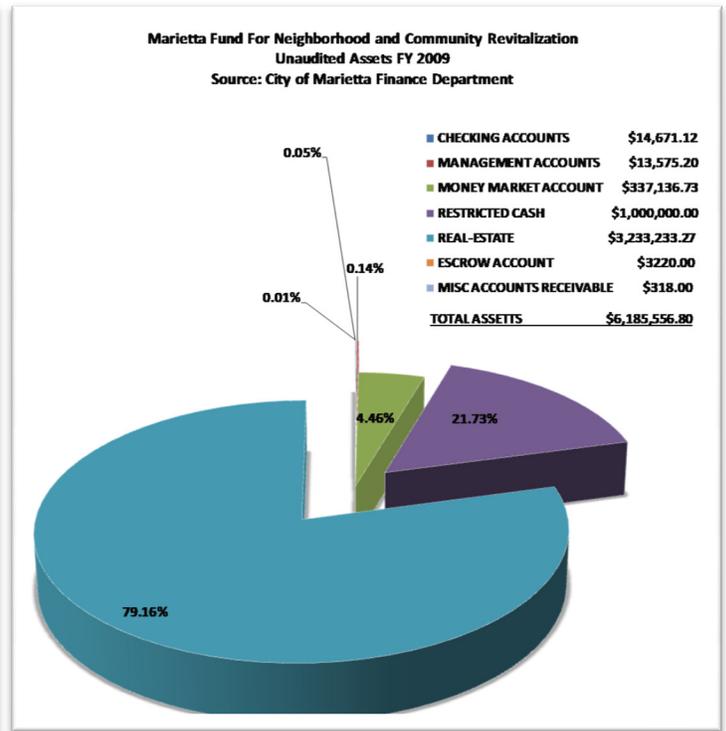
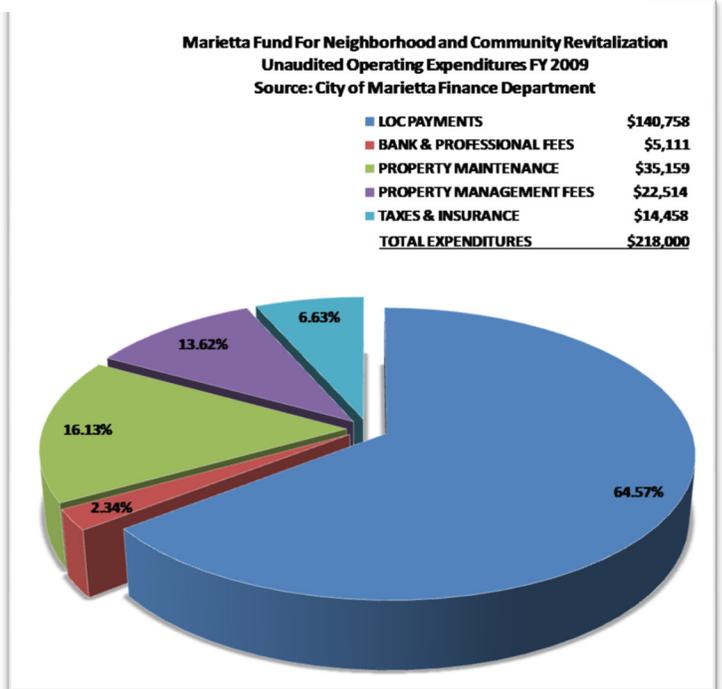
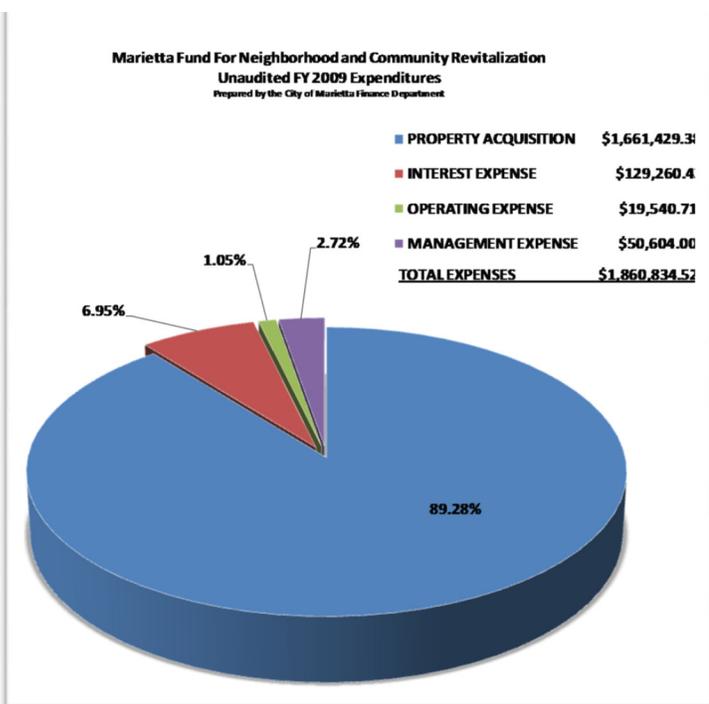


FIGURE 4



NOTES:

1. A breakdown of operating and management expenditures is provided in Figure 4.
2. Legal & Professional fees include inspections, surveys, appraisals and loan closing fees.
3. Property Management includes 1st month rents, monthly management fee and new lease commissions.
4. Property maintenance includes pest control, cleaning, supplies, repairs and appliances.

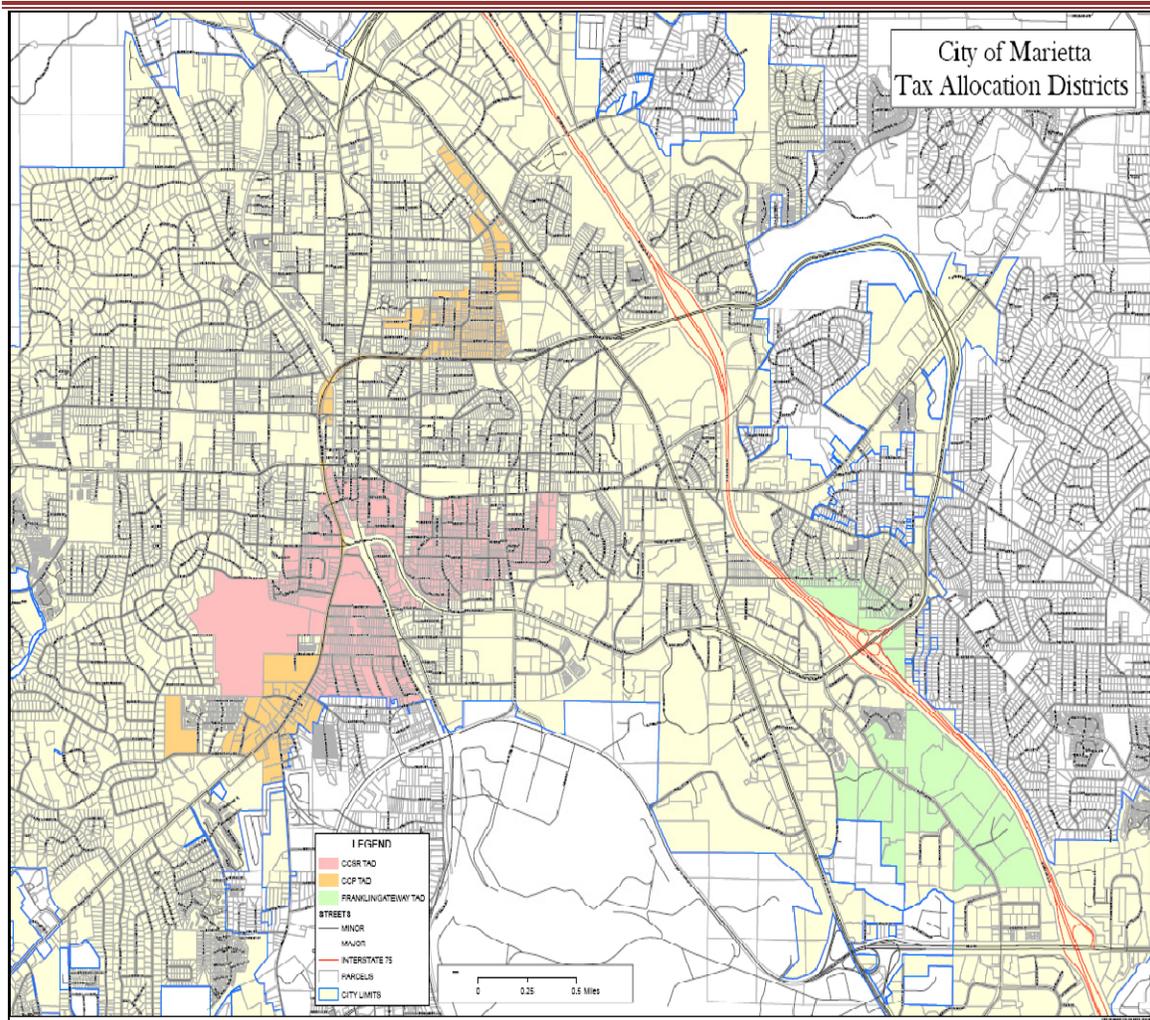


UNAUDITED STATEMENT OF ACCOUNTS

The most recent available Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2009 will be published by the City Finance Department in December of 2009.

Operating Statement - June 30, 2009		
Bank of North Georgia		
	Month	Year to Date
Revenues:		
Investment earnings	2,080.85	27,904.17
Rent	7,500.00	108,744.77
Total Revenues	9,580.85	136,648.94
Expenditures:		
Interest Expense (loan)	11,497.66	140,758.09
Operating expenses	230.75	19,563.24
Management Fees / Invoices	1,333.33	22,513.99
Management Expenses	5,694.50	35,158.94
Total Expenditures	18,756.24	217,994.26
Non-operating Items		
Income	250.00	2,370.00
Expense	(28.73)	(236.95)
Total Non-operating	221.27	2,133.05
Excess (deficiency) of revenues over expenditures	(8,954.12)	(79,212.27)
Other financing sources (uses):		
Capital expenses	0.00	(1,661,429.38)
Draw on Line of Credit	0.00	1,656,539.87
Transfer from Banking institution	0.00	0.00
Transfer from City of Marietta	0.00	0.00
Net change in fund balance	(8,954.12)	(84,101.78)
Fund balance at beginning of year		2,152,190.71
Current fund balance		\$2,068,088.93
Balance Sheet - June 30, 2009		
ASSETS		
Checking accounts		\$3,368.59
Management account		1,251.00
McNeel Building Systems Cash Account		7,518.79
Money Market account		275,937.77
Restricted Cash		1,000,000.00
Realestate		4,894,612.65
Misc Accounts Receivable		318.00
Escrow account		2,550.00
Total Assets		6,185,556.80
LIABILITIES		
Accounts payable		7,062.88
Deposits		2,550.00
Line of Credit		4,102,965.48
Due to City - General Fund		0.00
Total liabilities		4,112,578.36
EQUITY		
Fund balance		2,072,978.44
Total Liabilities and Fund Balance		\$6,185,556.80

TAX ALLOCATION DISTRICT BOUNDARIES



City Center South Renaissance Tax Allocation District (CCSR)

The CCSR TAD District comprises six geographic redevelopment areas including; the Park Street Area bounded by Roswell Street, Park Street, Frasier Street and North Fairground Street; the Roswell Renaissance District bounded by Roswell Street, North Fairground Street, South Marietta Parkway and Atlanta Road; the Hedges Area bounded by Cemetery Street, West Atlanta Road, Hill Street and Powder Springs Road; and the Griggs Street Area located north of the Marietta City Club and west of Powder Springs Street including Reynolds Street, Wright Street and McDonald Court.

City Center Perimeter Tax Allocation District (CCP)

The CCP TAD District comprises three geographic redevelopment areas including; the Allgood Road Area roughly bounded by Hyde Drive, North Fairground Street, North Marietta Parkway and Cole Street ; the Polk/Denmead Street development tract ; and the Powder Springs Street Corridor from the City Club Golf Course south to Sandtown and Chestnut Hill Roads.

Franklin/Gateway Tax Allocation District

The Franklin/Gateway TAD District comprises two geographic redevelopment areas including; Franklin Road between South Marietta Parkway and Delk Road and the Gateway Area located north of South Marietta Parkway and east of Interstate-75



MARIETTA MAYOR AND CITY COUNCIL

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Griffin Lee Chalfant, Jr., Ward 2
Holly Marie Walquist, Ward 3
Irvan A. "Van" Pearlberg, Ward 4
Rev. Anthony C. Coleman, Ward 5
James William King, Ward 6
Philip M. Goldstein, Ward 7

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Tim Lee, District 3
G. Woody Thompson, District 4

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ⁱ All Tax Allocation District and redevelopment project values reported in the FY2009 Annual report were obtained from the Cobb County Tax Assessor's office. Assessed values are subject to change based on appeals and adjustments made after certification of the 2009 tax digest.