

00-R-0971

(Do Not Write Above This Line)

A RESOLUTION

BY COUNCILMEMBER DEBI STARNES

AMENDING AND RESTATING THE UNDERGROUND ATLANTA URBAN REDEVELOPMENT PLAN; AND FOR OTHER PURPOSES.

ADOPTED BY
AUG 0 7 2000
COUNCIL

- CONSENT REFER
- REGULAR REPORT REFER
- ADVERTISE & REFER
- 1st ADOPT 2nd READ & REFER
- PERSONAL PAPER REFER

Date Referred 6/19/00
 Referred To: CD/HK
 Date Referred _____
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First Reading

Committee _____
 Date _____
 Chair _____
 Referred to _____

Committee CD/HK
 Date 6/28/00
 Chair _____
 Action: _____
 Fav, Adv, Hold (see rev. side) _____
 Other: _____
 Members _____
 7/12/00
 Refer To _____

Committee CD/HK
 Date 8/2/00
 Chair [Signature]
 Action: _____
 Fav, Adv, Hold (see rev. side) _____
 Other: _____
 Members [Signature]
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Committee _____
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 Other: _____
 Members _____
 Refer To _____

FINAL COUNCIL ACTION

- 2nd
- 1st & 2nd
- 3rd
- Readings
- Consent
- V Vote
- RC Vote

CERTIFIED

CERTIFIED
 AUG 7 2000
 ATLANTA CITY COUNCIL PRESIDENT
[Signature]

CERTIFIED
 AUG 0 7 2000
[Signature]
 MUNICIPAL CLERK

MAYOR'S ACTION

APPROVED

AUG 13 2000

[Signature]
 MAYOR

A RESOLUTION

BY COUNCILMEMBER DEBI STARNES

AMENDING AND RESTATING THE UNDERGROUND ATLANTA URBAN
REDEVELOPMENT PLAN; AND FOR OTHER PURPOSES.

WHEREAS, by Resolution adopted by the Council on January 3, 1984 and approved by the Mayor on January 4, 1984, the City of Atlanta adopted the Underground Atlanta Urban Redevelopment Plan within the meaning of O.C.G.A. Section 36-61-7; and

WHEREAS, by Resolution adopted by the Council on June 3, 1985 and approved by the Mayor on June 4, 1985, the City of Atlanta amended and restated the Underground Atlanta Urban Redevelopment Plan; and

WHEREAS, by Resolution adopted by the Council on April 21, 1986 and approved by the Mayor on April 22, 1986, the City further amended and restated the Underground Atlanta Redevelopment Plan, a copy of which is attached to this Resolution as Exhibit A; and

WHEREAS, the City and the Downtown Development Authority hold ownership and leasehold interests in the project known as Underground Atlanta ("Underground"), including the property abutting the upper level of Alabama Street, S.W. ("Upper Alabama Street"); and

WHEREAS, the City of Atlanta has adopted policies favoring the development of mixed uses of property, especially property near transit, and of downtown housing, particularly fee simple residences; and

WHEREAS, the enclosure of Upper Alabama Street into a conditioned shopping and entertainment environment and the development of residences above the street would enhance the Underground experience, generate increased retail traffic, and otherwise contribute to the development of a "24-hour city;" and

WHEREAS, development of housing at Underground, which already provides shopping, offices, and entertainment, would advance the City's goals of fostering the development of mixed uses, downtown housing and mixed uses near transit; and

WHEREAS, the Underground Atlanta Urban Redevelopment Plan must be amended to include these proposed land uses; and

WHEREAS, in accordance with O.C.G.A. Section 36-61-7, and after due public notice, the Community Development Committee of the Council of the City of Atlanta held a public hearing on further amendment and restatement of the Underground Atlanta Urban Redevelopment Plan.

NOW, THEREFORE, BE RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA as follows:

Section 1. The Underground Atlanta Urban Redevelopment Plan, as adopted in January 1984 and amended and restated in June 1985 and April 1986, is hereby amended and restated in accordance with Exhibit B attached hereto and incorporated herein by reference.

Section 2. All resolutions and parts of resolutions in conflict herewith are hereby rescinded.

A true copy,

Rhonda Dauphin Johnson
Municipal Clerk, CMC

**ADOPTED by the Council
APPROVED by the Mayor**

AUG 07, 2000
AUG 13, 2000

AMENDED AND RESTATED
UNDERGROUND ATLANTA
URBAN REDEVELOPMENT PLAN

April 7, 1986

EXHIBIT A

UNDERGROUND ATLANTA URBAN REDEVELOPMENT PLAN
NARRATIVE DESCRIPTION

Location and History

Underground Atlanta is located in the southern part of Atlanta's central business district ("CBD") in an area known as the "Heart of Atlanta." The "Heart of Atlanta" area is generally bounded by Marietta and Decatur Streets on the north, the interstate highway system on the east and south, and the tracks of the Southern Railroad on the west. Although the "Heart of Atlanta" has a number of virtues to build on, there are also significant impediments to major new development. Foremost among them is the strong physical barrier of the "gulch", which separates the area from the remainder of the CBD.

Historically, the "gulch" and the rail lines running through it created barriers to north-south movement in the CBD. A viaduct system was built in the early part of this century to overcome this problem from a traffic standpoint, but the deep scar of the "gulch" remains as an interruption in the continuity of development and as a barrier to pedestrian movement. As a result, major portions of the southern CBD are dramatically underdeveloped in comparison to the remainder of the CBD.

In addition, the "Heart of Atlanta" area lacks a clear activity focus or a significant public amenity. Most of the buildings date back to the turn of the century and many have been allowed to deteriorate. The southernmost portion of the area in particular consists of surface parking, various marginal uses, and generally underutilized land. Especially to suburban residents, the area presents an image of crime, physical threat and decline. The recent fires that gutted some buildings within Underground itself contribute to the aura of decay.

As in many cities that grew up with the railroad, the area adjacent to the main lines was the commercial center of town. Alabama Street, the first paved street in the City, was a major commercial thoroughfare lined with businesses of all types. But, by the turn of the century, the commercial center of Atlanta began to shift north to the Five Points area and the new skyscrapers built during the decades from 1910 to 1929 were located there rather than in the "Heart of Atlanta" area. In the 1920's, a system of viaducts was built to speed the flow of traffic over the railroad "gulch," and the viaduct level in the "Heart of Atlanta" area became the focus of commercial

activity, pedestrian and vehicular traffic while the old streets and the building levels beneath the viaducts were generally abandoned and remained "buried" for decades. Underground Atlanta, within the "Heart of Atlanta", and bounded generally by Martin Luther King, Jr. Drive on the south, the "gulch" on the north, Peachtree Street on the west and Central Avenue on the east, is in a unique physical setting as a result of the construction of the street viaducts.

Next to the Underground area, where the MARTA tracks now run, the first two rail passenger depots were built in 1853 and 1864. Neither remains today. Just east of Central Avenue, the Georgia Railroad Freight Depot still stands. Built in 1896, the recently renovated Depot is one of the oldest remaining buildings in Atlanta.

In the late 1960's, two developers undertook the creation of an entertainment complex using the "basements" and the old streets "buried" by the viaducts, and named it Underground Atlanta. The Underground extended in a T-shaped pattern along two blocks of Lower Alabama Street and one block of Old Pryor Street. Next to the viaducts, though not directly beneath them, Kenney's Alley was considered an integral part of the Underground.

Through property acquisition and leaseholds, the developers obtained control over a number of buildings within the Underground. Construction began in 1968 and the project opened in 1969. At its peak in 1972, Underground Atlanta included 70 business establishments, attracted 3.5 million visitors and generated sales of \$17 million. Following that peak period, the area began to decline. The original development and management entity, Underground Atlanta, Inc., ceased operations in 1976. Remaining merchants tried to manage the facility on a voluntary basis, but by the end of 1981, the last establishment had closed.

There are a number of reasons for the Underground's demise. The developers never obtained control over all the properties in Underground, and they were under-capitalized and negotiated leases that didn't provide adequate funds for project management and maintenance. From the consumer standpoint, price gouging, the institution of stiff cover charges, deteriorating merchandise quality and crime and the perception of crime in the later years discouraged patronage.

Some external factors were also present; the disruption caused by construction of MARTA rail lines, lowered drinking age, increased competition, and general recession all played a role. However, most experts who have studied the situation

believe that the entertainment complex could have survived these adverse external influences had it enjoyed central control of property and operations, a sufficient level of capitalization, adequate funds for maintenance, and unified central management.

Current Conditions

At present, the area commonly known as Underground Atlanta (as described above) is a slum and blighted area and is an economic drag on the City of Atlanta. Studies undertaken by the City indicate that buildings located in the area are generally in deteriorated condition. Inspectors report that many of the buildings, if not repaired soon, are in danger of becoming so deteriorated as to be economically unsalvageable. Other investigations show that much of the unoccupied and unused properties, principally the portions of the properties below the viaducts - the former entertainment area - have been "abandoned," are being used as unsanctioned shelters by derelicts, and suffer from unhealthy accumulations of trash and litter. There is evidence that the area is a place where illegal activities take place and where fires that have destroyed significant properties in the area have been started.

The economic value of the area has notably and rapidly declined since 1974. In 1974 there were 1,227 jobs provided by all businesses in the area (190 in the Underground entertainment area) with \$18,935,000 in combined total sales (\$2,756,000 in the Underground entertainment area) as reported to the City of Atlanta in business license reporting forms. In 1983, again using business license reporting forms, there were 316 jobs provided by businesses in the area (0 in the Underground entertainment area) which were estimated to produce \$7,487,000 in total sales volume (\$0 in the Underground entertainment area). With adjustments for inflation, using annual increases in the Consumer Price Index as the measure of inflation, the decline in sales value was 80.6% (as opposed to a 60.4% decline without adjusting for inflation). To stay even with inflation and produce the same equivalent dollar volume of sales as in 1974, the total area would have needed to produce \$37,092,000 in 1982 instead of \$4,505,000; the Underground Atlanta portion itself (below the viaducts) would have needed to produce \$5,939,000 instead of \$0.

Designation of Urban Redevelopment Area and Land Subject to Slum Clearance and Rehabilitation

The "Urban Redevelopment Area" is designated on the map attached as Exhibit A. Some or all of the area designated as land proposed to be acquired by the City from private owners will be subject to slum clearance and rehabilitation as provided under the Urban Redevelopment Law, O.C.G.A. § 36-61-1, et seq. The remainder of the land within the Urban Redevelopment Area will be subject to "rehabilitation" or "conservation" as provided under the Urban Redevelopment Law. All of the Urban Redevelopment Area is found by the City to be a "slum area" as defined in the Urban Redevelopment Law, such area is hereby designated as appropriate for an urban redevelopment project, and the rehabilitation, conservation, or redevelopment, or a combination thereof, of such area is necessary in the interest of the public health, safety, morals and welfare of the residents of the City. The attached map also delineates an area called "Project Limits" that is larger than the Urban Redevelopment Area. It is expected that the City, the State and other entities will develop the area outside the Urban Redevelopment Area but within the Project Limits in a manner that will complement the festival marketplace described below.

Land Use Plan and Redevelopment Program

The land use plan centers on the redevelopment by the Downtown Development Authority and a "Private Redeveloper" of those properties owned by or proposed for acquisition by the City. Some of the parcels designated as proposed to be acquired may instead be redeveloped by their current owners pursuant to the provisions of the Urban Redevelopment Law or leased under long term ground leases by the Private Redeveloper. The redevelopment of these properties is hereinafter referred to as the "Project."

The goal of the land use plan is to return the Underground Atlanta area, both that part above the viaducts and that part below, and its environs to a structurally sound, safe, habitable and healthy area. In addition, the redevelopment goal includes returning the area to economic vitality, with the potential of generating within the Project itself approximately \$90 million in retail sales alone and supporting approximately 3,000 jobs by the third full year of operation.

The redevelopment Project planned for Underground Atlanta will create a dining, entertainment, and specialty retail complex similar, in some ways, to the Underground complex of the past. But there are important differences:

First, the Project will be much larger than in the past. ---

- * The "first Underground" had net retail space of about 110,000 square feet; the planned Project is expected to have net retail space of approximately 220,000 square feet.
- * The "first Underground" had no office space; the planned Project includes office space of up to 60,000 square feet thus creating a more massive Project with greater attractiveness and a greater chance for lasting success.
- * The "first Underground" existed only in the space below the viaducts; the planned Project will occupy levels below, on, and above the viaduct.
- * The "first Underground" made no attempt to control or influence the quality of its surroundings; the planned Project includes many extensive and expensive on-site and off-site improvements in public areas thus creating an attractive environment and helping insure the lasting success of the Project.

Second, the Project will be operated in a much more coherent fashion than the first.

- * In the "first Underground" there was little or no true control over the businesses in the development and there was no strong way to support the common interests of the various businesses in the area. This was one of the major factors that eventually led to the failure of the undertaking. In the current plan, the Project will be developed and operated in essentially the same manner as a modern shopping center (in fact, from a management point-of-view, it will be a modern shopping center), thus providing not only some measure of control over the activities and quality of the businesses in the development, but also support for the businesses, common area maintenance, extensive common public relations, financial reserves, and so on.

The Project is to be redeveloped as a "festival marketplace," characterized primarily by specialty retail, dining and entertainment, all of high quality. Physical redevelopment is to be accomplished principally through rehabilitation and reuse of existing structures, since much of the potential for development as a festival marketplace lies in the unique physical setting.

The immediate environs of the Underground area must also be improved to assure lasting success of the redevelopment effort in Underground and to encourage private redevelopment in the remainder of the "Heart of Atlanta" area. The "gulch" is a blighting and depressing influence on the Underground and the entire "Heart of Atlanta" area. To provide treatment of this blighting influence, to provide major useful open space in the downtown area, and to create an important and attractive entrance to the Underground area, the "gulch" between Wall Street, Alabama Street, Peachtree Street, and Pryor Street will be completely bridged. This bridge will take the form of a plaza platform and terrace at the viaduct level permitting full and free movement of railroad and MARTA trains below.

The two blocks bounded by Alabama Street, Peachtree Street, Martin Luther King, Jr. Drive, and Central Avenue constitute the core of the Project. Here, in the western block, the properties generally abutting Alabama Street will be rehabilitated for specialty retail and entertainment at below viaduct level, additional retailing at the viaduct level, and office or other use at the above viaduct level. Most of the property generally abutting Pryor Street will be rebuilt as a public parking structure. The remainder of the block will not be included in the Project, per se, but property owners will be offered special incentives for private rehabilitation. The eastern block will be redeveloped in a similar fashion with entertainment and specialty retail in the below viaduct level and in Kenney's Alley, additional retailing at the viaduct level, and office use in the above viaduct level. All this work is to be accomplished via rehabilitation where feasible. The properties facing Martin Luther King, Jr. Drive will be rebuilt as a public parking structure.

The property bounded by Central Avenue, Washington Street, Martin Luther King, Jr. Drive and the Central of Georgia Railroad is the site of the historic Georgia Railroad Freight Depot. The remainder of this property is presently used as a parking lot. This parking lot is poorly developed, unsightly, and generally not a positive influence in the area. The State has renovated the Depot for use as an important convention meeting room. Most of the remainder of the block is to be redeveloped by the State as plaza open space forming a major entrance to the eastern end of the retail core. As such, this plaza will compliment the plaza to be built over the "gulch" at the northern approach to the retail core.

A few properties in the northern end of the block bounded by Alabama Street, Broad Street, South Peachtree Street, and Martin Luther King, Jr. Drive are to be rebuilt in a way that

will provide a western entrance to the retail core of the Project and an important link between the retail core and Rich's Downtown Department Store.

Detailed Land Use Description. Following is a detailed description of the physical redevelopment activities planned for the Project and its surrounding environs.

Block A. The only Project-related work presently planned for Block A is the beautification of the sidewalk on this block which runs on the east side of Peachtree Street from Decatur Street south to Wall Street. This sidewalk ties the Five Points intersection, the major intersection in Downtown Atlanta, to the western Project entrance to be built on Block B. This Block is outside the Urban Redevelopment Area but within the Project Limits.

Block B. Development in Block B is to take place at the same level as the Alabama, Wall, Pryor, and Peachtree viaducts which bound this block. A platform of approximately 54,000 square feet (including refurbishment of the 23,500 square foot existing platform that abuts Wall Street) will be built at grade with the viaducts over existing freight and MARTA rail tracks. This platform will abut Peachtree, Wall, and Pryor Streets. Within this platform a large terrace will be built. This terrace will extend from the northern portion of the platform down (while providing enough room for railroad and MARTA trains to move below) to commercial portions of the Project at Old Alabama Street (directly under the Alabama Street viaduct). The terrace will serve as a major entrance to the "traditional" part of Underground Atlanta while the viaduct grade platform will provide access to the viaduct level commercial portion of the redevelopment area from the Five Points area. The platform and terrace will be enhanced by a high level of amenities including landscaping, pools, and fountains. In addition to providing access to Underground Atlanta and erasing the blighting influence of the "gulch," the platform will function as an urban park. The terrace in Block B leads to the Underground level of Block C.

Block C. In Block C, only those properties fronting Alabama and Pryor Streets are directly included in the Project. Private retail space (which may also include food services and entertainment) will be developed at and below the viaduct level. Old Alabama and Old Pryor Streets, under the viaducts, will be developed and used as a public mall. The portion of the Alabama Street viaduct between Peachtree Street and Central Avenue will be closed to vehicular traffic and used as a pedestrian mall. However, Pryor Street, an important downtown artery which intersects the planned pedestrian mall at

its mid-point, will be left open to vehicular traffic. The existing building at 54-60 Peachtree Street extends four floors above viaduct level. This space will be redeveloped for private office or other non-retail use. The properties at 86-88 and 90-92 Alabama Street also extend above viaduct level, but by only one additional floor, which is currently planned for storage space. The properties on Block C, fronting on Pryor and extending from (and including) 97 Pryor Street south to Martin Luther King, Jr. Drive will be the site of a public parking structure planned to accommodate approximately 450 cars. Directly east of Block C is Block D.

Block D. All of Block D is to be redeveloped. Within Block D is Kenney's Alley. South of and parallel to Old Alabama Street, the alley is about ten feet lower than Old Alabama and constitutes yet another level of development in Block D. This area will be redeveloped for private retail use (including food service and entertainment), along with the space on Old Alabama and Old Pryor below the viaducts. On the north side of Old Alabama Street, where extensive demolition took place to accommodate MARTA construction, new private retail use will be constructed so that a "double-sided mall" can be created on Old Alabama. The viaduct level space on both Alabama and Pryor Streets is to be rehabilitated for private retail use. The buildings at 48-60 Alabama was destroyed by fire in 1983; a new structure will be built here. The Old Alabama Street level of this new building will be used as a private food court. The viaduct level space of this new building will be used as private retail uses along with public elevators and escalators in an atrium. Old Alabama and Old Pryor Streets, as discussed in the description of Block C, will be developed and used as a mall. The southern portion of the block, fronting on Martin Luther King, Jr. Drive and including all the property in Block D to a line 180 feet north of MLK, Jr. Drive will be developed as a public parking structure which is planned to accommodate approximately 660 cars. Immediately east of and abutting Block D is Block E.

Block E. Block E is outside the Urban Redevelopment Area but within the Project Limits. The western boundary of Block E is the Central Avenue viaduct. Old Central Avenue (also known as Lloyd Street) is not under the viaduct - as is the case with other streets in Underground - but abuts the viaduct right-of-way on the east. On part of Old Central Avenue will be built a new building which will house the major private anchors at this end of the marketplace. The historic railroad depot on Block E - owned by the State of Georgia - has been rehabilitated by the State for use as a meeting room. The remainder of the block is to be reused as a major public pedestrian entrance to the eastern end of the Project and as

the site for special amenities and cultural attractions. The Georgia Building Authority may also construct an office building in this block adjacent to Washington Street.

Block F. Block F includes only the parcels at the northern end of the block where it abuts Alabama Street. Redevelopment of this block is to provide a connection between the marketplace in the Project and the major Rich's downtown department store at the corner of Alabama and Broad. At the Old Alabama Street level, a tunnel has been built between the MARTA Five Points Station and the western end of Old Alabama. Renovated and new private retail space will be provided at the viaduct level and possibly at the sub-viaduct level if a spur tunnel is constructed from the existing tunnel to an entrance at the southeast corner of Broad and Alabama.

Project Management Plan

The planned Project is to be a festival marketplace. Festival marketplaces are variations of traditional shopping centers that have arisen to meet commercial development needs of urban core areas only within the last decade. While festival marketplaces do not necessarily look like traditional shopping centers, it is essential that they be managed like one. Downtown areas throughout the United States, including Atlanta's, have seen a longterm loss of retailing activities in the face of tremendous growth of suburban retailing. Thus, creation of new retailing in a downtown area, as this plan proposes, runs counter to existing trends and must meet the challenge of vigorous suburban competition. These challenges can be met, as has been demonstrated in a few cities where festival marketplaces have been developed and operated and managed as modern shopping centers are operated and managed. The lesson of these successes is that very high standards of merchandising, maintenance (including common areas and surroundings), design, public relations, and general operations must be observed for downtown retail to be competitive. Failures of other attempts at downtown retailing, such as the "first Underground", which were not managed as a shopping center, underscore this lesson.

An essential element of this type management is that the manager have the ability to control merchandising, tenant mix, tenant hours of operation, and the like throughout the center in all retail space. In addition, the manager must be able to impose and collect various common fees from tenants -- for example, fees for the maintenance of the common areas. Only in this way can groupings of small disparate businesses be pulled together in a common unit that can have competitive power.

The management plan requires, at a minimum, for the redeveloped commercial area within the Project to be operated, controlled, and managed in the same fashion as a modern shopping center. That is, a single management entity will have control of all properties; lease individual retail spaces and control, to a large extent, the operations of retailers; and maintain all property, including common areas, to like standards. In light of the previous history of failure in Underground Atlanta, this type of centralized management and control of the Project is absolutely essential to the long-term success of the redevelopment effort.

Financial Plan

The financial plan for accomplishing the redevelopment of Underground Atlanta is complex. First, the Project is divided into public and private components. The private component is the festival marketplace itself including the retail space and the office space. The public components consist of all public areas and amenities - the public plazas and open space, the public malls, the parking structures, off-site streetscaping, etc. The following is the current financial plan with respect to the Project.

The first element of the financing plan is the issuance of up to \$85 million in Project revenue bonds by the Downtown Development Authority of the City of Atlanta ("DDA").

- * A portion of the bond proceeds will be spent on public places and amenities as described above. Of these improvements, the only part that will produce revenue to assist in the retirement of debt are the two planned public parking structures. In accordance with Art. 9, § 9, ¶ 6 of the Georgia Constitution, the City may establish a special tax district and tax the property owners within the Urban Redevelopment Area in order to produce some or all of the remaining revenue required to service that portion of the bonds used for public places and amenities.
- * Another portion of the bond proceeds will be used to rehabilitate or construct part of the buildings which are included in the commercial portion of the Project. These improvements will be leased to the Private Redeveloper.
- * The remainder of the bond proceeds will be used to pay bond issuance costs, to cover interim interest expense, to establish reserve funds if necessary, and to pay a portion of the land cost.

The second element of the financing plan as currently structured is a \$10 million Urban Development Action Grant. This is a grant from the United States Department of Housing and Urban Development to the City of Atlanta. The proceeds of the grant are to be loaned to the Private Redeveloper which will use these funds in the redevelopment of the festival marketplace. This loan is to be repaid by the Private Redeveloper to the City.

The third element of the financing plan as currently structured is an allocation of approximately \$8.5 million from the Community Development Block Grant program of the City of Atlanta. These funds will be loaned to the Private Redeveloper for use in the redevelopment of the festival marketplace. A portion of these funds will be dedicated to finance the construction of finished space for small and minority business tenants of the marketplace. This loan is to be repaid by the Private Redeveloper to the City.

The fourth element of the financing plan is the utilization of "Sales Tax Windfall" funds by the City to acquire portions of the property needed for the Project and to cover other financial requirements.

The fifth element of the financing plan is a loan from the DDA to the Private Redeveloper to be used in the redevelopment of the festival marketplace and to fund certain start-up reserves. It is possible that another source of funds may be substituted for this loan.

A sixth element of the financing plan is the contribution of \$5,000,000 by the Fulton County Building Authority in return for certain parking privileges in one of the parking decks.

The seventh and final element of the financing plan is an equity investment by the Private Redeveloper of at least \$15.3 million.

The above described financing plan is the plan which is currently contemplated by the City. It is possible that certain elements of the financing plan may be changed or modified as the budgeting process continues.

Property Acquisition

Control of all properties necessary to carry out the public purposes of this plan, i.e., redevelopment, economic development, and provision of open space, will be acquired by the City of Atlanta or the Private Redeveloper (1) through

negotiated purchase and (2) failing successful negotiated purchase, through use of the power of eminent domain or through negotiated longterm ground leases.

Property Disposition

All properties which are acquired by the City for private development or redevelopment will be disposed of pursuant to O.C.G.A. § 36-61-10 for final redevelopment and implementation of the management program substantially as discussed above. Disposition of the properties may be accomplished by longterm lease or by sale.

Conformity to General Plan for Municipality as a Whole

The planning proposals contained in this Plan as they relate to land uses, thoroughfares, street changes, and other redevelopment actions conform to the City of Atlanta Comprehensive Development Plan and were reviewed and approved by the City of Atlanta Bureau of Planning. No zoning changes are contemplated for the Project.

Obligations Of The Private Redeveloper

Pursuant to O.C.G.A. § 36-61-10, Underground Festival, Inc. has been selected as the Private Redeveloper for the Project. The Private Redeveloper will be required to agree with the City as follows:

1. To enter into a lease of portions of the Project from the City.
2. To demolish, renovate, and build the commercial portion of the Project (other than that portion of the commercial facilities being built by the DDA and those portions of the Project owned by persons exercising their rights under O.C.G.A. § 36-61-9(c) as described below) in accordance with plans and specifications approved by the City and on a timetable approved by the City which have been formulated by an architect approved by the City; to engage a contractor to accomplish such improvements who is acceptable to the City.
3. To engage, based on the needs for centralized and unified development of the Project, a development manager acceptable to the City.

4. To engage, based on the need for centralized and unified management control of the commercial aspects of the Project as set forth in this Plan, an operating manager for the property acceptable to the City.
5. Not to effect or execute any lease, conveyance or other instrument whereby any land in the Urban Redevelopment Area will be restricted upon the basis of race, religion, color or national origin in the sale, lease, or occupancy thereof. (The obligations set out in this subparagraph shall be effective without limitation as to time, notwithstanding the termination date provided with respect to other provisions of this Plan.)
6. To participate in a comprehensive program for achieving the affirmative action goals set forth in Exhibit B.
7. Not to resell (or sub-lease) any land purchased or leased from the City or any interest therein prior to the completion of the improvements agreed upon in the contract of sale (or lease or other agreement) without the approval of the City and not to speculate in or with respect to such land.
8. To such other terms and conditions as the City may deem necessary or desirable to prevent the recurrence of slums or to provide for the orderly disposition of the land.

Obligations of Property Owners Exercising Section 9(c) Rights

Following notification from the City of the planned use of his property as set forth in this Plan, any property owner of land proposed to be acquired shall, in accordance with O.C.G.A. § 36-61-9, within 30 days have the option of notifying the City in writing of his willingness and intention to develop and maintain the property in accordance with this Plan. Following the investigation set forth in section 9(c), any such property owners whom the City has determined have the ability to develop and maintain their property in accordance with the Plan shall have the right to retain ownership of their property by executing an agreement with the City to develop and maintain the property in accordance with the Plan. The agreement shall contain the following requirements of the property owner, all of which the City deems necessary and appropriate in order to implement the Plan:

1. To demonstrate to the City's satisfaction that he owns the property free of any leasehold interest or other encumbrance that would prevent him from developing the property in accordance with the Plan.
2. To demolish, renovate, and build that portion of the Project on his land in accordance with plans and specifications and on a timetable approved by the City which have been formulated by an architect approved by the City. The City shall include in the notice provided to the property owner pursuant to O.C.G.A. § 36-61-9(c) a description of the specific planned use for his parcel or parcels. Further, he will be required to engage a contractor to accomplish such improvements who is acceptable to the City.
3. To engage, based on the needs for centralized and unified development of the Project, a development manager acceptable to the City. The contract between the property owner and the development manager must contain, in all material respects, the same obligations for both the owner and the manager as the corresponding contract between the Private Redeveloper and its development manager.
4. To engage, based on the need for centralized and unified management control of the commercial aspects of the Project as set forth in this Plan, an operating manager for the property acceptable to the City. The arrangement between the owner and the manager must contain, in all material respects, the same obligations for both the owner and the manager as the contract between the Private Redeveloper and its manager.
5. Not to effect or execute any lease, conveyance or other instrument whereby any land in the Urban Redevelopment Area will be restricted upon the basis of race, religion, color or national origin in the sale, lease, or occupancy thereof. (The obligations set out in this subparagraph shall be effective without limitation as to time, notwithstanding the termination date provided with respect to other provisions of this Plan.)
6. To participate in a comprehensive program for achieving the affirmative action goals set forth in Exhibit B.

7. To such other terms and conditions as the City may deem necessary or desirable to prevent the recurrence of slums or to provide for the orderly disposition of the land.

Controls

Redevelopment of the property, insofar as it is accomplished by the Private Redeveloper or property owners exercising 9(c) rights shall be governed by:

- * The City of Atlanta Zoning Ordinance, adopted January, 1982, as amended.
- * The Life Safety Code (NFPA 101), 1981 edition.
- * The Atlanta Building Code, (the 1982 unamended Standard Building Code with Atlanta amendments).

These codes, by reference, are made a part of this Plan.

Plan Amendments

From time to time it may be necessary to amend this Plan. Any amendments which do not cause a substantial or material alteration of the Plan may be accomplished administratively.

EXHIBIT A

URBAN REDEVELOPMENT AREA

EXHIBIT B

AFFIRMATIVE ACTION GOALS

AFFIRMATIVE ACTION GOALS
UNDERGROUND ATLANTA

1. At least 50% of the construction jobs are to be filled by persons who are members of minority groups.
2. At least 25% of the total amount of all contracts for design services and construction work will be performed by minority-owned companies and at least 3% by female-owned companies. In addition, the general contractor, the prime architect, and the prime engineer will be joint ventures in which at least 25% of each joint venture is represented by minority owned companies.
3. A diligent, good-faith effort will be made to lease space in the Project to minority and female-owned companies. Specific goals will be determined when the merchandising plan is prepared, and such goals will be expressed in terms of a minimum number of minority-owned companies and a minimum number of female-owned companies. Extensive and thorough discussions will be held with the City of Atlanta and the property manager designated in item 4 below in setting the specific goals, and the redeveloper(s) will strive to set goals which meet or exceed the City's intention that at least 25% of the companies leasing space in the Project will be minority-owned companies and at least 3% will be female-owned companies. Precautions will also be taken to include minority and female-owned companies in all types of space and in locations throughout the Project. As an aid in achieving these goals, a special committee will be appointed with representatives from the City of Atlanta, the redeveloper(s), and the property manager. The role of this committee will be to recruit, identify, evaluate, and assist minority and female-owned companies as prospective tenants in the Project. The committee will recommend minority and female-owned companies which it believes can succeed as tenants in the Project, but the property manager will make the final selection. It will not be necessary, however, for a minority or female-owned company to be recommended by this committee in order to lease space in the Project, and all prospective tenants must meet the standards established by the property manager for a successful Project.

4. The entity which is hired to prepare a merchandising plan, lease space to tenants, arrange promotions, coordinate tenant improvements, and manage the completed Project will be joint venture including one or more minority-owned companies certified by the City of Atlanta.
5. At least 25% of the total amount of all materials and contracts for outside services in the ongoing management of the Project (with the exception of public utilities) will be purchased from minority owned companies and at least 3% from female-owned companies. It is the City's preference that at least 25% of all materials be supplied by Atlanta based companies.
6. In its own personnel policy and practices, the redeveloper(s) will assure equal opportunity in employment, promotion, and compensation and will take affirmative action to employ women and members of minority groups. All employees and applicants for employment, as well as employees being considered for promotion, reassignment, or dismissal, will be judged on individual merit without regard to race, color, creed, religion, national origin, sex, age, or political affiliation.

The definition of minority groups as used herein will conform with the definition set forth in the relevant ordinances of the City of Atlanta, and companies will be certified by the City as being minority-owned or female-owned in accordance with City ordinances and the regulations and procedures issued thereunder. In addition, the redeveloper(s) will provide such information to the City of Atlanta as may be necessary to demonstrate its efforts in fulfilling these goals. The City maintains the right to monitor the efforts to achieve these goals on the part of the redeveloper(s) and its contractors and subcontractors. The redeveloper(s) may also seek technical assistance from the City's Office of Contract Compliance in identifying certified minority and female-owned companies and in forming joint ventures and subcontractor arrangements with certified minority and female-owned companies.

The redeveloper(s) must make every effort, consistent with the project budget and the project schedule, to meet or exceed each of these goals. The purpose of the goals is to create opportunities for full participation by minorities and women in all aspects of the Project. Therefore, these goals are not to be interpreted as maximum levels for such participation or as minimum requirements so long as a diligent, good-faith effort is being made to fulfill the goals.

EXHIBIT B

Delete the descriptions of Blocks C and D on pages 7-8 of the Amended and Restated Underground Atlanta Redevelopment Plan and replace them with the following:

Block C. In Block C, only those properties fronting Alabama and Pryor Streets are directly included in the Project. Private retail space (which may also include food services and entertainment) will be developed at and below the viaduct level. Old Alabama and Old Pryor Streets, under the viaducts, will be developed and used as a public mall. The portion of the Alabama Street viaduct between Peachtree Street and Central Avenue will be closed to vehicular traffic and enclosed as a conditioned shopping and entertainment mall. Fee simple residences will be constructed above the enclosed mall. However, Pryor Street, an important downtown artery which intersects the planned pedestrian mall at its mid-point, will not be enclosed and will be left open to vehicular traffic. The existing building at 54-70 Peachtree Street extends four floors above viaduct level. This space will be redeveloped for private office or other non-retail use. The properties at 86-88 and 90-92 Alabama Street also extend above viaduct level, but by only one additional floor, which is currently planned for storage space. The properties on Block C, fronting on Pryor and extending from (and including) 97 Pryor Street south to Martin Luther King, Jr. Drive will be the site of a public parking structure planned to accommodate approximately 450 cars. Directly east of Block C is Block D.

Block D. All of Block D is to be redeveloped. Within Block D is Kenney's Alley. South of and parallel to Old Alabama Street, the alley is about ten feet lower than Old Alabama and constitutes yet another level of development in Block D. This area will be redeveloped for private retail use (including food service and entertainment), along with the space on Old Alabama and Old Pryor below the viaducts. On the north side of Old Alabama Street, where extensive demolition took place to accommodate MARTA construction, new private retail use will be constructed so that a "double-sided mall" can be created on Old Alabama. The viaduct level space on both Alabama and Pryor Streets is to be rehabilitated for private retail use. The building at 48-60 Alabama was destroyed by fire in 1983; a new structure will be built here. The Old Alabama Street level of this new building will be used as a private food court. The viaduct level space of this new building will be used as private retail uses along with public elevators and escalators in an atrium. Old Alabama and Old Pryor Streets, as discussed in the description of Block C, will be developed and used as a mall with fee simple residences constructed above an enclosed mall on Old Alabama Street. The southern portion of the block, fronting on Martin Luther King, Jr. Drive and including all the property in Block D to a line 180 feet north of MLK, Jr. Drive, will be developed as a public parking structure which is planned to accommodate approximately 600 cars. Immediately east of and abutting Block D is Block E.

RCS# 2175
8/07/00
6:08 PM

Atlanta City Council

Regular Session

00-R-0971

Amending & restating Underground Atlanta
Urban Redevelopment Plan
Adopt

YEAS: 9
NAYS: 0
ABSTENTIONS: 0
NOT VOTING: 4
EXCUSED: 2
ABSENT 1

Y McCarty	E Dorsey	Y Moore	NV Thomas
Y Starnes	Y Woolard	NV Martin	B Emmons
Y Bond	Y Morris	NV Maddox	E Alexander
Y Winslow	Y Muller	Y Boazman	NV Pitts

00-R-0971