

MARTA TRANSIT ORIENTED DEVELOPMENT UPDATE

City of Atlanta Transportation Committee

May 27, 2020

marta

Edgewood /
Candler Park



1475
DeKalb Ave.
Atlanta, GA
30307

AGENDA

- ✓ Transit Oriented Development (TOD)
- ✓ TOD Facts
- ✓ TOD in the City of Atlanta
- ✓ Affordable Housing
- ✓ Fresh MARTA Market
- ✓ North Avenue Station TOD Overview



TRANSIT ORIENTED DEVELOPMENT (TOD)

- ✓ TOD is the real estate and community development program through which MARTA collaborates with qualified developers to build projects on MARTA-owned properties.
- ✓ MARTA's land and air rights hold unique potential to advance community development goals and attract new riders while providing revenue for the transit system.
- ✓ TOD efforts reduce auto use and increase transit ridership by directly linking MARTA's transportation network with housing and commercial opportunities.
- ✓ MARTA TOD also supports social infrastructure in the communities it operates. Initiatives include programs for affordable housing, providing fresh quality food, public arts, soccer for underserved youth, minority and small business incubation.
- ✓ MARTA is currently undergoing the largest transit expansion in its history with the power to activate a network of new sites and communities as more destinations come on-line.



Lindbergh City Center

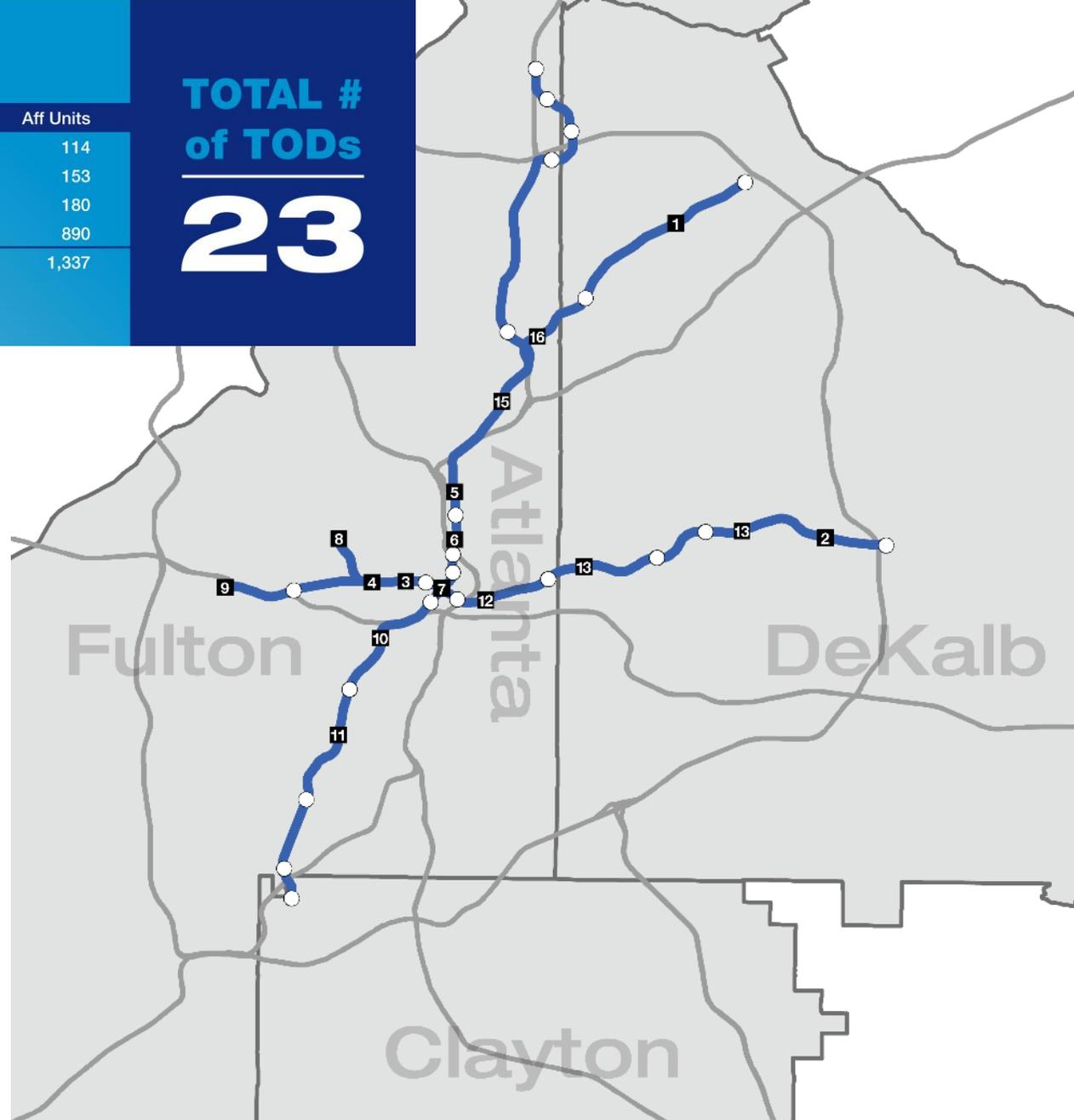
FACTS

Total TOD Program

	Units	SF Retail	SF Comm	Aff Units
Built	1,411	313,000	2,618,580	114
Under Construction	508	20,000	-	153
In Negotiation	900	-	1,540,000	180
Planned	2,500	-	800,000	890
Total	5,319	333,000	4,958,580	1,337

TOTAL #
of TODs

23



LEGEND

- MARTA RAIL LINE
- MARTA RAIL TOD STATIONS
- MARTA RAIL STATIONS
- COMPLETED
- UNDER CONSTRUCTION
- IN NEGOTIATION
- PLANNED

TOD STATUS

- 1 Chamblee ●
- 2 Kensington ● ● *
- 3 Vine City ●
- 4 Ashby ●
- 5 Arts Center ●
- 6 North Ave ●
- 7 Five Points ●
- 8 Bankhead ●
- 9 HE Holmes ●
- 10 West End ●
- 11 Lakewood/Fort Mac ●
- 12 King Memorial ●
- 13 Edgewood Candler ● ●
- 14 Avondale ● ● **
- 15 Lindbergh ● ● **
- 16 Lenox ● ● **

* DIFFERENT PHASES
** MULTIPLE PHASES

TOD IN THE CITY OF ATLANTA

✓ Under Construction

- ✓ **Edgewood/Candler Park** – Fall 2021 delivery of “Link” 208 multi-family units with 53 affordable units and 10,000 sf of office/retail space. Moving in the Spirit, is complete.
- ✓ **King Memorial** – Early 2022 delivery on a ~300-unit multifamily project with 100 affordable workforce units and 10,000 sf of commercial space.

✓ In Negotiation

- ✓ **Peachtree Center (west entrance adjacent to Ellis Hotel)** – Term Sheet agreed upon for 40,000 SF hotel/restaurant expansion to Ellis Hotel, need FTA concurrence then will negotiate ground lease.
- ✓ **Arts Center** – Working through program with Development team which will serve as the basis for the ground lease.

Edgewood/Candler Under Construction



King Memorial Under Construction



TOD IN THE CITY OF ATLANTA

✓ Procurement + Planning

- ✓ **North Avenue** – MARTA is in the procurement process and will be seeking Board approval in June 2020 of an award to a qualified developer.
- ✓ **Six (6) OZ Stations** - MARTA staff continues to work through pre-RFP and pre-development items on the six (6) stations designated for mixed-income housing and located in Opportunity Zones.
- ✓ **Five Points** - TOD staff has been invited by MARTA Capital Programs into the pre-planning stages of Five Points Station.



AFFORDABLE HOUSING

We are committed to being a key partner for the cities and counties we serve in advancing affordable housing. In November 2010, MARTA's Board established a goal of 20% affordability across our development portfolio.

AFFORDABLE HOUSING SUMMARY	
<i>Atlanta</i>	
Built and Under Construction	* 175
Planned	870
<i>Total</i>	<i>1,045</i>
<i>MARTA Total (Systemwide)</i>	
Built and Under Construction	267
Planned and In Negotiation	1,070
<i>Total</i>	<i>1,337</i>

*Note: City of Atlanta Units are located at Edgewood/Candler Park and King Memorial

STATION SOCCER



- ✓ Two additional Station Soccer locations are in the planning phase and will be delivered in 2020 at Lindbergh Center and H.E. Holmes. The H.E. Holmes soccer pitch will be located adjacent to iVillage.
- ✓ West End Station Soccer (Phase II) is underway, which includes training/classroom space within a recycled and refurbished rail car, new seating and landscaping. Completion is planned for 2020.



FRESH MARTA MARKET



- ✓ The sixth season of the Fresh MARTA Market was delayed due to COVID-19.
- ✓ A COVID-19 Safety Plan has been provided to MARTA and is under review.
- ✓ Upon approval of the Safety Plan the Market is expected to open in stages, beginning in mid to late June.



A photograph of North Avenue Station, a transit hub, with a white bus in the foreground. The station features a large, modern, white metal canopy structure. The bus is white with a black destination sign that reads "899" and "100-5TH AVENUE" and "PORT CITY, NJ". The background shows a cityscape with various buildings under a clear sky. The entire image is overlaid with a semi-transparent blue filter.

NORTH AVENUE STATION TRANSIT ORIENTED DEVELOPMENT OVERVIEW

NORTH AVENUE STATION TOD TIMELINE

Dec 2018	Received Unsolicited Proposal
Apr 2019	Received Authorization to Release RFP
Aug 2019	Released RFP*
Jan 2020	Proposals Received
Jun 2020	Requesting Board Approval of Award

***Scope of RFP was developed in concert with the City of Atlanta and in keeping with the City requirements around parking within half mile of transit.**

MARTA DUE DILIGENCE / UNDERWRITING

Fiduciary Responsibility to the Board

A qualified team of multidisciplinary professionals internally at MARTA as well as with the advisory services of JLL, one of the largest global commercial real estate services firms reviewed and analyzed the following aspects of the Portman Holdings, LLC proposal:

- Diversity and Inclusion (DBE) Commitment
- Financial Standing and Credit Worthiness of Lessee
- Track Record and Ability to Execute Proposed Project
- Proposed Ground Lease Terms
- Project Design
- Project Concept
- Maintaining Operations During Construction
- Design to Accommodate MARTA Operations
- Design to Accommodate MARTA Facilities
- Design to Enhance the Customer Experience and Drive Ridership
- TOD Guidelines and Principles

DEVELOPER TRACK RECORD

In Aggregate



FOUNDED IN

1957

CURRENT OFFICES IN

USA
& India

65M

SQUARE FEET OF PREMIUM
AND UPSCALE DEVELOPMENTS

OVER

\$10B

DEVELOPMENT COSTS
AT TIME OF CONSTRUCTION

22

HOTELS DEVELOPED

15M

SQUARE FEET OF
OFFICE SPACE

OVER

1.8M

SQUARE FEET OF
RETAIL SPACE

7.1M

SQUARE FEET OF
TRADE SHOW SPACE

550K

SQUARE FEET OF
DESIGN CENTERS

DEVELOPER TRACK RECORD - Midtown Atlanta



Anthem Technology Center

TECH SQUARE, ATLANTA, GEORGIA
740 West Peachtree Street NW, Atlanta, GA 30308

Opened February 2020

Portman Holdings broke ground on the construction of the Anthem Technology Center, a 352,000 SF, Class-A office building in Midtown Atlanta, Georgia in February 2019. The office building is 100% leased to Anthem, Inc. (NYSE: ANTM), which operates Blue Cross Blue Shield in Georgia. Anthem will locate its IT hub at the building, moving 3,000 employees to the asset. Rising 21 stories, the project is located one block south of Portman's Coda at Tech Square project, adding to the momentous development and transformation of Midtown Atlanta.

BUILD-TO-SUIT OFFICE BUILDING

352,000

SQUARE FEET TOTAL OFFICE SPACE



Anthem II

TECH SQUARE, ATLANTA, GEORGIA
712 West Peachtree Street NW, Atlanta, GA 30308

Opens in Spring 2021

Portman Holdings broke ground on the construction of Anthem II, a 310,000 SF, Class-A office building in Midtown Atlanta, Georgia in May 2019. The office building is 85% leased to Anthem, Inc. (NYSE: ANTM), which operates Blue Cross Blue Shield in Georgia. Rising 20 stories, the project is located one block south of Portman's Coda at Tech Square project, and is next to Anthem Technology Center.

BUILD-TO-SUIT OFFICE BUILDING

310,000

SQUARE FEET TOTAL OFFICE SPACE



Coda at Tech Square

TECH SQUARE, ATLANTA, GEORGIA
756 West Peachtree Street NW, Atlanta, GA 30308

Opened May 2019

Coda at Tech Square is an approximately 750,000-square-foot, mixed-use building containing office space, research labs, retail and a data center. The complex is programmed around high-performance computing (HPC) modeling, simulation and a sustainable, innovation ecosystem that integrates the existing assets of Georgia Tech's Technology Square complex with new opportunities in interdisciplinary research, commercialization and sustainability.

The design incorporates the existing Crum & Forster Building, a 1926 office building owned by the Georgia Tech Foundation. The ground level features extensive public space, including The Collective food hall and plaza. Adjacent to Tech Square and the North Avenue MARTA transit station.

MIXED-USE BUILDING

645,000

SQUARE FEET TOTAL OFFICE SPACE



1020 Spring Street

ATLANTA, GEORGIA

625,000 SF Office, 30,000 SF Retail

- 300-key Hotel
- 350 Apartments
- \$600M Project Budget

DEVELOPER TRACK RECORD

Ground Lease Experience

Portman Holdings has robust experience in executing ground lease agreements with both public and private entities, including the following:

- **Georgia Tech Foundation**
- **San Diego Port Authority**
- **Private Landowners**

Portman has capitalized ground lease deals with various largescale lenders and equity providers, which include the following:

- **AIG**
- **JPMorgan Chase**
- **U.S. Bank**
- **PNC Bank**
- **Abu Dhabi Investment Authority**
- **Fifth Third Bank**
- **Regions Bank**

As it relates to deals structured with a ground lease, Portman Holdings has experience in obtaining construction loan financing and refinancing as well as asset disposition.

The following statistics provide key summary metrics of Portman's experience in executing and capitalizing deals on ground leases:

- **9** Recent Ground Leases Negotiated
- **\$1.4BB+** Capitalized
- **2MM+** Square Feet in Total Development

PROPOSED PROJECT

North Avenue Station



MARTA North Avenue Station

PROGRAM

- 480,000 sf Office
- 275 key Hotel
- 10,000 sf Street level retail
- 800 Parking spaces

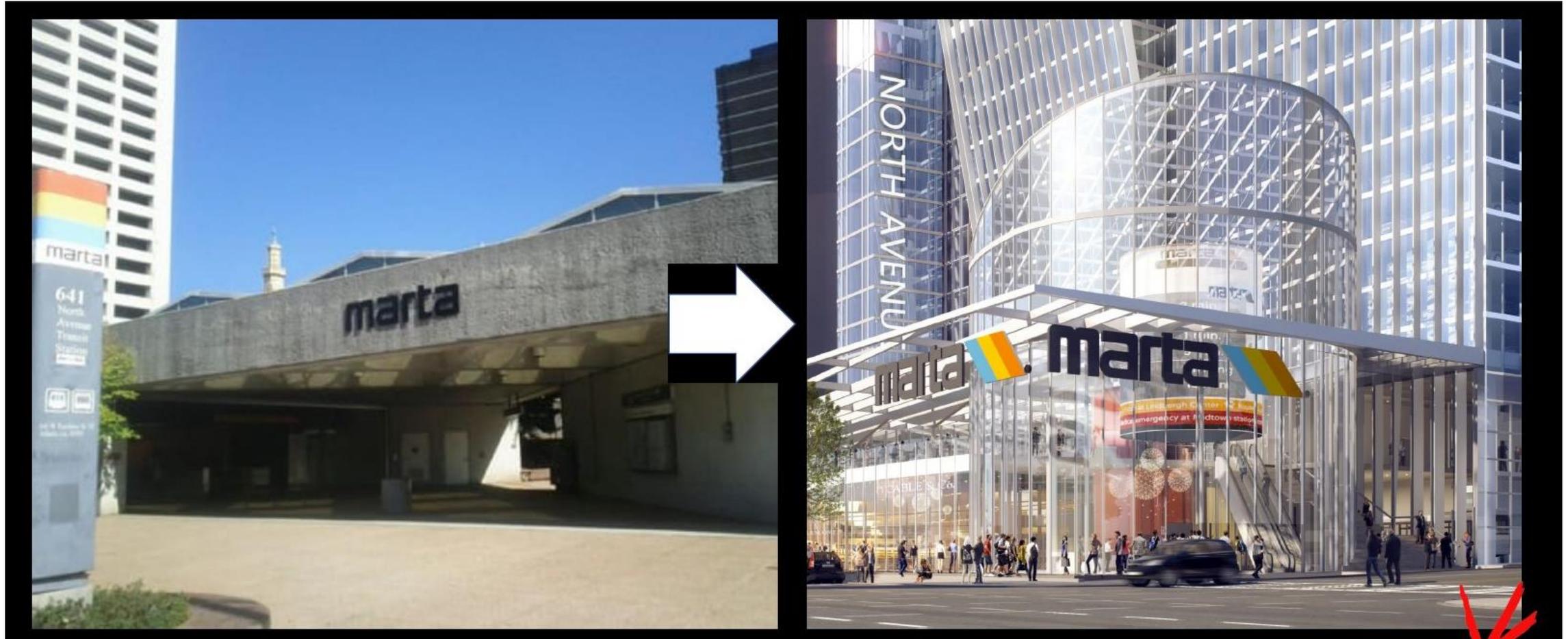
FEATURES PROVIDED

- Improved MARTA Station
- Covered bus station with dedicated bus lobby
- Space for public events
- A dedicated Fresh MARTA Markets Area
- Community Meeting Space

Portman would like to create an outstanding landmark for Atlanta and for MARTA

PROPOSED PROJECT

Station Transformation



\$13.1 million of station enhancements financed by a structured ground lease abatement

PROPOSED PROJECT

Disadvantaged Business Enterprises (DBE) Participation

MARTA serves an ethnically and economically diverse metropolitan area and encourages Proponents to use good faith efforts to include participation of small businesses that are owned and controlled by socially and economically disadvantaged individuals.

MARTA's DBE Goal for the North Avenue TOD is 25%.

- Portman Holdings contacted 130 DBE companies
- Portman Holdings will hire a DBE Consultant
- MARTA's Office of Diversity and Inclusion monitors DBE commitment

BENEFITS TO MARTA

Transcending Ground Lease Revenue

- Improved Customer Experience and Station Experience
- Bus Lobby for Patrons
- More Density at Station = More Ridership Revenue
- More Density at Station = More Eyes on the Street for Security
- Creates Community at the Station with Open Space, Retail and Activated Street Edges
- Ground Lease Base Rent and Capital Event Participation Rent
- Opportunity to redeploy ground lease rent into new affordable housing projects
- Credit Worthy Ground Lease
- Design Work for Station Enhancements
- Hard Costs for Station Enhancements
- New model for developing above rail and bus station assets opens up air rights value throughout the MARTA system
- Opportunities for Fresh MARTA Market and Artbound

BENEFITS TO CITY OF ATLANTA

Economic Development and Property Taxes

- Office, Hotel and Retail Jobs
- Significant increase in property tax revenue from a previously tax-exempt site
- Increased revenue to Midtown Alliance (CID)
- Ground Lease Revenue to MARTA to support planned affordable housing efforts

AFFORDABLE HOUSING GOALS

- In 2010, the MARTA Board established the TOD Guidelines which states a goal of a minimum of 20% of the multifamily units at a TOD be affordable.
- Since then, the TOD staff has been focused on affordable housing.
- On a system wide basis, of the 23 TODs either completed, under construction, in negotiation or in the procurement/planning process, there are 1,337 affordable units.
- Proceeds from the North Avenue TOD will be used to fund and help facilitate future and current affordable housing efforts.

QUESTIONS?