

Centennial Yards Update

Finance and Executive Committee – City Council



August 26, 2020



Centennial Yards Update

Progress is being made on Centennial Yards in coordination with City department leaders

- ① On November 5th, 2018 the City Council voted to approve the Centennial Yards development
- ② Since adoption, the City departments have coordinated with CIM Group to move forward, where possible, on the terms laid out in the development agreement. A monthly coordination meeting is held with CIM Group, the Mayor's staff, and department leaders.
- ③ Until the bonds have been validated, there are significant limitations on what can be done, including the numerous investments in affordable housing, workforce training, and economic development



From the Mayor's Statement After City Council Approval

"We have established a new model for leveraging land development to achieve both economic growth and community good. Never in the history of our city has a single development deal been negotiated in a way that will have such far-reaching, generational impact. The Gulch redevelopment will not only physically bridge the gap between the east and westsides of Atlanta, bringing economic vitality to a long-undeveloped part of downtown, but also affordable housing, workforce training, enhanced public safety, and job opportunities throughout the city. I am grateful for the approval by the Atlanta City Council and look forward to continuing to work with them to ensure that as our city grows and prospers, our communities are not left behind."



Centennial Yards Update

The progress made in each area is the necessary and solid foundation for the transformation underway

01

Bond Validation

The bond validation is the legal process for determining whether the bonds issued or modified are sound, feasible, reasonable, and follow the law.

02

Spring Street Project

The Spring Street project is 6+/- acre site that includes the renovation and adaptive re-use of the 99 and 125 Spring Street buildings as well as new construction on an infill parking lot to the east of the 99 and 125 buildings.

03

City Asset Swap Projects

The City Asset Swap projects include the construction of the Nelson Street Bridge, renovation of 160 Trinity Avenue, renovation of 185 Spring Street, demolition of 175 Spring Street, construction of the Claire Drive Warehouse, and MEP/FP systems split at 2 City Plaza (72 Marietta and AJC Production Facility).

04

Centennial Yards

Centennial Yards is a master planned development that will provide 12-15 new city blocks on 40 acres of land in the heart of Downtown Atlanta. The site will provide direct pedestrian access between State Farm Arena, Mercedes-Benz Stadium, the Georgia World Congress Center, CNN Center, Centennial Olympic Park and the Castleberry Hill neighborhood.



CIM



CIM Group | City of Atlanta Update

Third Quarter 2020

CIM

CIM Group | City of Atlanta Update

August 2020

Presenters: J. Shannon Crowell

Presented to: City of Atlanta

Spring Street

The Spring Street project is 6+/- acre site that includes the renovation and adaptive re-use of the 99 and 125 Spring Street buildings as well as new construction on an infill parking lot to the east of the 99 and 125 buildings. The infill, new construction development will occur in a second phase that contemplates a mix of uses.

City of Atlanta Asset Swaps

The City Asset Swap projects include the construction of the Nelson Street Bridge, renovation of 160 Trinity Avenue, renovation of 185 Spring Street, demolition of 175 Spring Street, construction of the Claire Drive Warehouse, and MEP/FP systems split at 2 City Plaza (72 Marietta and AJC Production Facility). Renovation efforts at 160 Trinity and 185 Spring Street, as well as construction of the Claire Drive Warehouse and 72 Marietta systems split have been in close working coordination with the City of Atlanta.

Centennial Yards

Centennial Yards is a master planned development that will provide 12-15 new city blocks on 40 acres of land in the heart of Downtown Atlanta. The site will provide direct pedestrian access between State Farm Arena, Mercedes-Benz Stadium, the Georgia World Congress Center, CNN Center, Centennial Olympic Park and the Castleberry Hill neighborhood. Once completed the Centennial Yards development will include new infrastructure and open space, experiential and commercial retail, residential, commercial office, hospitality and entertainment uses as a part of an approved density of up to 12M sf.

1. See Important Disclosures beginning on page 14 and, in particular, the section "Fund Assets Under Management".

CIM

Spring Street

Spring Street (125 and 99 Buildings)

Project: 125 Spring Street

Address: 125 Ted Turner Drive SW

Description of Work:

- 162 multifamily style units across 5 floors in an adaptive re-use of the former Norfolk Southern offices on Ted Turner Drive. Levels 1 and 2 will hold amenity and leasing space for residents as well as 32,000 square feet of commercial/retail space
- In final stage of construction
- Owner punch to begin 10/1/2020

Construction: 5/2/2018 – 10/26/2020

Project : 99 Spring Street

Address: 99 Ted Turner Drive SW

Description of Work:

- 99 Spring Street is also an adaptive re-use of the former Norfolk Southern offices on Ted Turner Drive
- Currently in concept design

Construction: 2021– 2022



99 and 125 Spring Street

Spring Street (Phase II)

Project: Spring Street Phase II

Address: 125 Ted Turner Drive SW

Description of Work:

- Spring Street Phase II is the second phase of construction at the Spring Street site. This phase will be comprised of a mix of new construction uses on the infill site that formerly provided parking to support Norfolk Southern offices
- Currently in concept design

Construction: 2021 – 2022



Rendering of Spring Street Phase II

CIM

City of Atlanta Asset Swap Projects

CoA Asset Swap Projects (*Nelson St. Bridge and 160 Trinity*)

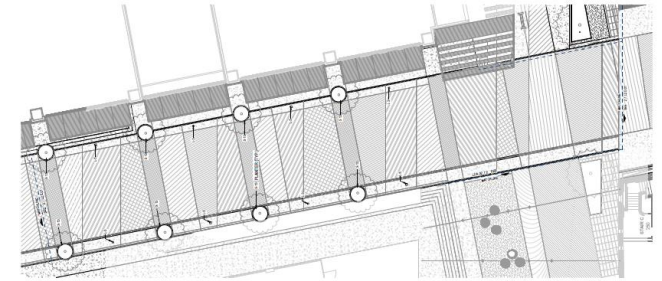
Project: Nelson Street Bridge

Address: Ted Turner Drive SW – Nelson Street

Description of Work:

- Nelson Street Bridge will span underneath the skybridge between the 99 and 125 Spring Street projects and connect Ted Turner Drive SW to Nelson Street in Castleberry Hills
- Final stage of general contractor onboarding

Construction: 4Q 2020 – 4Q 2021



Snip of Nelson Street Bridge Design Development

Project : 160 Trinity

Address: 160 Trinity Avenue

Description of Work:

- Extensive core and shell renovation and tenant improvement build out of 3 floors of office and a basement level
- In final stages of interior renovation and tenant buildout for multiple City of Atlanta offices
- Move in anticipated to commence 9/15/2020

Construction: 12/6/2020 – 9/15/2020



160 Trinity

CoA Asset Swap Projects (175/185 Spring Street and CoA Warehouse)

Project: 175/185 Spring Street

Address: 175 – 185 Ted Turner Drive SW

Description of Work:

- 185 Spring Street is the extensive core and shell renovation and tenant improvement build out of 6 floors of office and a basement level that will service City of Atlanta tenants
- 185 Spring in preconstruction phase, GC onboarding; Demolition Permit in final stage of review; core and shell permit application submitted 8/18/2020
- 175 Spring Street will be demolished to provide additional parking for tenants; demolition in preliminary planning phase

Construction: 11/30/2020 – 5/28/2021



175/185 Spring Street

Project: City of Atlanta Warehouse

Address: 120 Claire Drive

Description of Work:

- The City of Atlanta Warehouse at Claire Drive will provide a 50,000 sq. ft. containing two office spaces
- Currently working with the City of Atlanta to understand available due diligence work previously done
- Vetting GCs
- Currently in pre-development

Construction: 4Q 2020 – 2Q 2021



Snip of Preliminary Site Plan Provided by COA

CoA Asset Swap Projects (2 City Plaza Systems Split)

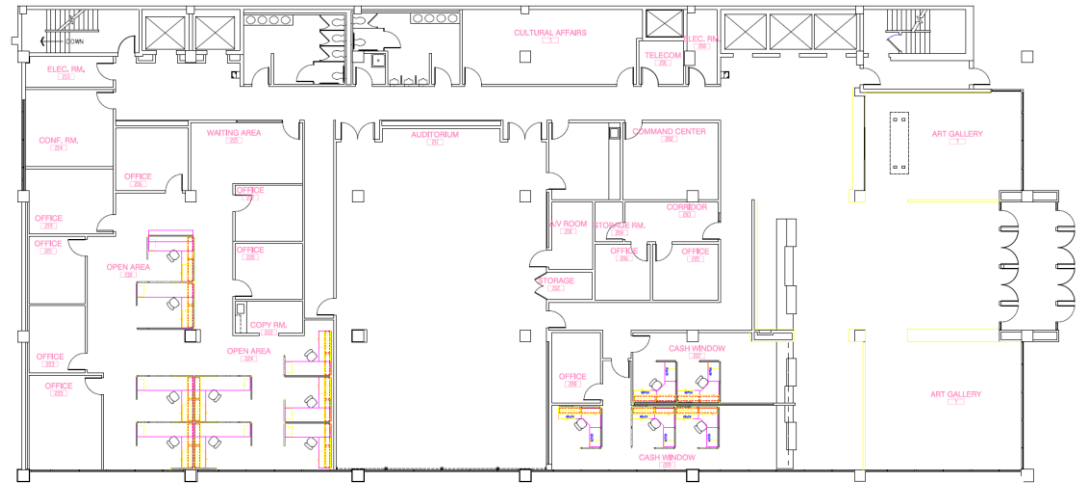
Project : 2 City Plaza Systems Split

Address: 72 Marietta Street

Description of Work:

- Existing mechanical, electrical, plumbing, and fire protection systems shared between 72 Marietta and the AJC production facility will be split to allow for two independently operating buildings
- Currently working with the City of Atlanta to understand available due diligence
- Final stage of design team onboarding

Construction: 2/8/2020 – 5/14/2021



Snip of 72 Marietta As-Built

CIM

Centennial Yards

Centennial Yards

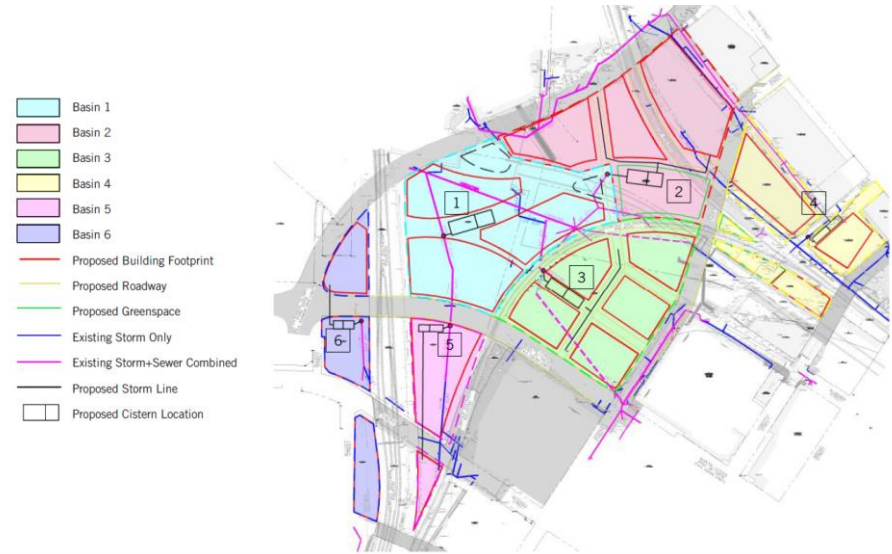
Project: Centennial Yards

Address: Location bordered by Centennial Olympic Park Drive, Mitchell Street, Richard B. Russel Plaza, Martin Luther King Jr. Drive, Ted Turner Drive, as well as portions of Marietta and Forsyth Streets

Description of Work:

- The master planning and infrastructure design are currently being finalized.

Construction: Infrastructure construction commencement Q1 2021 – TBD



Proposed Stormwater Infrastructure



Conceptual Massing

Centennial Yards (Infrastructure)



Proposed Sanitary Sewer Infrastructure



Proposed Domestic Water and Fire Protection Infrastructure

Public financing. There are three components to the public financing of the Centennial Yards project: (i) Enterprise Zone Bonds up to \$1.25 billion, which will be secured by the infrastructure fees being levied in lieu of sales tax; (ii) Westside TAD Gulch Area Bonds up to \$40 million, which will be secured by ad valorem property tax increment generated in the Gulch Area of the Westside TAD; and (iii) Supplemental Award Payments up to \$625 million (“Pay-Go” financing), which will also be funded by ad valorem property tax increment generated in the Gulch Area.

Enterprise Zone Bonds: Issuance of the EZ Bonds was validated by the trial court and affirmed on appeal by the Georgia Supreme Court on June 29, 2020.

Gulch Area TAD Bonds and Supplemental Award Payments: The tax increment generated in the Westside TAD, including the Gulch Area, is currently pledged as security for the outstanding Westside TAD Bonds. With the consent of the bondholder, a validation proceeding was initiated to restructure those outstanding bonds to exclude tax increment generated in the Gulch Area from the pledge. A second proceeding was initiated to validate the new Westside TAD Gulch Area Bonds, whose documentation authorizes the Supplemental Award Payments.

- ❑ The trial court validated both the restructured Westside TAD Bonds and the Gulch Area TAD Bonds. The Opponents/Intervenors appealed both rulings to the Georgia Supreme Court, which in turn transferred the cases to the Georgia Court of Appeals on June 29, 2020 after finding that it lacked original jurisdiction over the appeals. After denying motions for reconsideration in both cases, the Supreme Court issued remittiturs in both cases on August 11, 2020. Both cases are awaiting docketing in the Court of Appeals, which could occur any day.
- ❑ Once the cases are docketed, briefing is expected to take two to three months. We expect a decision from the Court of Appeals by March 16, 2021 or possibly as late as July 2, 2021, depending on the term of court in which the Court of Appeals docketed the cases for argument. Should the Court of Appeals affirm, the opponents likely will seek certiorari in the Georgia Supreme Court. It could take several months for the Supreme Court to decide whether to accept the appeals. If the Supreme Court decides to consider the cases (or either case), briefing likely will take place in late 2021, with a decision expected around mid-2022.

Practical Impact: Subject to the release of the respective Development Agreements from escrow, the parties may proceed to fund the Gulch Project with (i) the EZ bonds and (ii) Pay-Go financing from Supplemental Award Payments derived from the Gulch Area of the Westside TAD.

Centennial Yards: A Place with a Purpose



Job Creation and Economic Inclusion

- 38% inclusion goal for minority- and female-owned business enterprises (“MFBEs”) for design, development, construction and property management of the project
- 25% of entry-level construction jobs and 10% of all construction jobs for workers from around the city

Education

- Contribute \$2 million toward creation of a vocational training program in collaboration with Atlanta Technical College, WorkSource Atlanta and the Atlanta Committee for Progress

Housing Affordability

- Donate \$28 million to an affordable housing trust fund for use outside of Centennial Yards
- Deliver 200+ new affordable housing units within Centennial Yards. These units will be designated as affordable for 99 years vs. the typical 20 years.

Mandate for Women and Minority Owned Investment

- Offer 10% of the equity interest in CYCo to one or more MFBE investors on terms consistent with those offered by CIM’s Fund IX to institutional investors
- Contribute \$12 million to an Economic Development Fund managed by Invest Atlanta for economic opportunities city-wide

Centennial Yards: A Place with a Purpose (continued)



Infrastructure

- Centennial Yards will create a new neighborhood that connects those bordering on Downtown for the first time
- 12-15 new city blocks Downtown for a more dynamic, pedestrian-friendly district
- Significant infrastructure improvements including new fire station, mini-precinct for Downtown police
- Reconstruction and maintenance of Nelson Street Bridge

Community Experience

- A new green heart for Downtown — creating and activating multiple acres of green and open space
- Bringing convenient shopping and amenities to our neighbors in Castleberry Hill, Fairlie-Poplar and the Historic Westside
- A new location to host Peach Drop on New Year's Eve — a family-friendly "Times Square of the South"

Building Together

- Centennial Yards is part of an ecosystem of progressive development the includes the City of Atlanta, community groups and churches from our surrounding neighborhoods and business leaders from around the region.

Generating Opportunity

- Centennial Yards will transform Downtown Atlanta and is committed to empowering the community of residents and businesses to help in that effort and to leave their own mark on this special new neighborhood.