

ULI Atlanta

Urban Land Institute Technical Assistance Panel (TAP):

CITY OF ATLANTA



Building Permitting Center Locations, Operations, and Financing

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Introduction

From the '60s through the mid '90s, Atlanta's population steadily declined through a combination of factors including school desegregation, white flight and a preference for new homes on big lots in homogenous suburban communities. As the Atlanta region continued to grow almost unabated since the early '70s, one of the unintended consequences has been horrific traffic and sprawl, sparking renewed interest in inner city living.

A segment of regional households are now moving back to the City of Atlanta as they realize its prized location offers many benefits including reducing the staggering commutes associated with the "drive until you qualify" pattern of housing choice that has dominated metro Atlanta's growth for decades. The new Atlanta now delivers opportunities to actually walk to work, shopping, restaurants and cultural events in newly created pedestrian friendly places like Atlantic Station, stretches of Peachtree especially in Midtown and a refurbished Piedmont Park.

For the first time in almost 50 years, population is flowing back to intown neighborhoods and the desirability of City of Atlanta properties is on the rise. In fact, figures recently released by the Mayor's Peachtree Corridor Task Force anticipate that by 2020, residential growth along Peachtree will double. Projections include 30,000 new housing units, 21 million square feet of retail and commercial space, and an increase in the market value of properties along the Peachtree Corridor to \$34 billion.

Managing this substantial volume of new development is a major challenge for the City of Atlanta, since it directly provides essential financial assets the City needs to serve its burgeoning population. Without a doubt, demand will intensify for a seamless building permitting operation to efficiently accommodate this tremendous growth.

Fixing a Broken System

The City had received a long series of complaints, going back more than a decade, about the way building permits were issued. When Mayor Franklin was elected in 2002, she decided to take action, launching an in-depth examination of operations with a mandate to develop a plan to improve every aspect of the permitting process.

Simultaneously, the City was being sued by the Atlanta Homebuilders Association, claiming permit revenues were used for activities not directly related to issuing building permits.

City of Atlanta's Deputy Chief Operating Officer Luz Borrero was put in charge of the initiative to turn the situation around, beginning in 2003. In an effort to improve the City's permitting process, the City engaged the Atlanta District Council of the Urban Land Institute to perform a Technical Assistance Panel (TAP).

The ULI TAP recommends a thorough overhaul of the permitting process is in order and maintains that the City continues to make this a top priority with direct involvement and an ongoing personal commitment from Mayor Franklin.

Panelists were charged specifically with focusing on the real estate aspect of the permitting process and facility with emphasis on location, operations and financing of a new Permitting Center.

Setting the stage: Two alarming stories as benchmarks

A turning point for Luz Borrero came when she encountered a City employee using a manual typewriter to issue certificates of occupancy. Borrero learned that the stacks of paper nearby – literally from floor to ceiling – were the City’s only copies. “It was like the 19th century,” Borrero shared with the panelists, realizing there was no way to retrieve a specific document.

For 39 years, Norman Koplon ran the Department of Planning and Community Development (DPCD). He personally approved every building permit, working as a one-man operation. Though extremely capable at reviewing plans and knowledgeable about the issues, managing a business operation was not his forte. Even with a staff of 110 people, it was a common occurrence to have a line of 100 or more customers waiting to see one man.

Overview of recent improvements instituted at the Bureau of Planning (BOP) and the Bureau of Buildings (BOB)

- Bain & Company created a comprehensive economic development plan – the first ever for the City of Atlanta (COA). The goals were to make permitting operations more efficient, study the problems and recommend solutions. After a six-month study, 32 recommendations were submitted in the areas of business process, technology, customer service and changes in leadership. An additional 24 recommendations were added by COA staff. Today, 90% of those recommendations have been implemented.
- Certificates of occupancy are now issued electronically, with Kiva software – a system that many developers are already using.
- To eliminate a cumbersome, inefficient process that required customers go to multiple offices, the City switched to an automated system allowing people to make electronic payments online.
- Every single leadership position involved with the permitting process has changed. New department heads are encouraged to think holistically, always looking for ways to integrate the functions of related departments, instead of operating in isolation of each other.

- After two years of negotiation, the law suit with the Homebuilders Association was settled out of court. COA agreed to not use building permit revenues for anything other than the cost of issuing permits. Costs to builders remain the same. An Advisory Committee made of COA and Homebuilders Association representatives was established to review how BOB uses revenues in the future.
- A new initiative named Developers' Day takes place monthly providing an open dialogue between COA staff and developers on issues including site development review, zoning, technology upgrades and more. By simply educating and explaining the situation to developers and encouraging feedback, working relationships have greatly improved.
- Every Friday, the Major Projects Team - for developments of \$50 million and above - meets to discuss projects in the pipeline before the permitting process begins. Developers like Novare, Cousins and Sembler are benefiting tremendously. City representatives from zoning, site review, watershed management and others provide preliminary feedback alerting developers to possible pitfalls. The result is a smoother permitting process.
- A.J. Robinson of Central Atlanta Progress was appointed by Mayor Franklin to head a special permitting task force. The diverse group of large and small developers, GA Tech professors and others was instrumental in providing extremely valuable feedback and recommendations. The task force continues to meet and remain involved.
- Work spaces were not efficient with plan reviewers working in cramped, inadequate areas. A new standard for work space and furniture has been established. As new offices are created, the improved standard is being implemented. Examples include work stations for E-911 operators at 180 Peachtree and new offices for 600 people relocated to 3493 Donald Lee Hollowell Highway. New space standards will soon benefit BOP and BOB employees as well.

Situation

In addition to these significant improvements, it is evident that all departments involved with building permits need to be located together in one place. Efficiency improvements must continue including how physical space can support improved organizational performance and individual productivity while streamlining the customer experience.

Gensler architectural firm conducted a programming study of space requirements for BOB's Permitting Center. They recommend BOB's space double in size to 34,000 square feet. The recommendation is based on co-locating permitting functions such as Site Development, Fire Inspection and the Office of Transportation with BOB permitting staff to improve process flow and customer experiences. Because City Hall does not have 34,000 square feet of contiguous space available, the City is exploring options to relocate and expand the BOB Permitting Center. Ideally, BOP and the DPCD Commissioner's office will be located in the same place. It is imperative that all functions related to the permitting process are within a five-minute walk of City Hall.

City Hall East (CHE) was sold to a private developer requiring that the City vacate by September 2008. The largest department affected is the Department of Parks, Recreation and Cultural Affairs (DPRCA) with a need for a total of about 90,000 square feet. Because their peak activities occur in spring and summer, Commissioner Diane Harnell-Cohen prefers to move no later than January 2008.

Additional departments requiring relocation include the Office of Human Resources' Literacy Center, the Department of Corrections Career Development Unit, the Office of Human Services, the Auditors Office and the Ethics Office. To maximize efficiencies, the City would like to co-locate as many of these offices as possible.

Because BOP, BOB and the Parks Department have a high degree of public interaction, the new locations must be customer-friendly starting with convenience of parking and considering every aspect of the experience from beginning to end.

The Team

Moderators

Monte Wilson – HOK

Sarah Kirsch – Robert Charles Lesser & Co.

Panelists

Phase 1: Location

Ken Bleakly – Bleakly Advisory Group

Dean McNaughton – Cushman & Wakefield

Lynn Smith – Cushman & Wakefield

Jeff DuFresne – Urban Land Institute

Phase 2: Operations and Customer Service

Jim Rice – HOK

Michael Katzin – HOK

Joe Stryker – Smallwood, Reynolds, Stewart, Stewart & Associates

Sponsor - City of Atlanta

Luz Borrero – Deputy Chief Operating Officer

Steven Cover – Commissioner, Dept. of Planning and Community
Development (DPCD)

Dianne Harnell Cohen – Commissioner, Dept. of Parks, Recreation and
Cultural Affairs

Ibrahim Maslamani – Director, Bureau of Buildings, DPCD

Chuck Meadows – Budget and Policy Director, Dept. of Finance

Robert Schelor – Capital Projects Officer

Charles Whatley - Atlanta Development Authority

Larry Gerlach – Atlanta Development Authority

Why ULI ?

Since 1947, the Urban Land Institute has offered Technical Assistance Panels (TAPs) to provide local communities access to high-level expertise and constructive advice they may not be able to obtain by other means. No panel member has a conflict of interest and panelists are chosen for their relevant knowledge. They are senior members within their organizations and are selected for skills that complement each other to bring together a good cross-section of experts.

TAPs allow local governments and nonprofit groups to receive objective, high quality expertise from ULI industry leaders. ULI members volunteer their time as a meaningful avenue for individuals and ULI District Councils to give back to their community.

ULI Atlanta places special importance on this collaboration with the City of Atlanta. Instead of a one-time involvement, ULI Atlanta sees this effort as the start of an ongoing relationship. ULI members and the City of Atlanta share many common interests and long term priorities such as increasing workforce housing and using best practices for land use and quality development along the BeltLine and Peachtree Corridor, among other issues.

ULI TAP Location RecommendationsDowntown Atlanta Office Market

The opportunity to relocate and redesign the City's Permitting Center presents the chance to optimize the customer experience, and increase productivity for City employees with better office lay-outs and improved technology capacities.

In addition, the downtown office market remains soft compared to stronger demand for office space in Buckhead, followed by Midtown and the Central Perimeter. This bodes well for a long term deal. However, land costs and construction will continue to rise downtown.

As reported by Cushman Wakefield, about 14 million square feet of office space is currently available in downtown Atlanta; 22% of that is vacant, compared to Buckhead, Midtown and the Central Perimeter where vacancies are down to the low teens.

The downsizing of Fulton County government may present another opportunity since the county leases a large amount of space in privately owned buildings in close proximity to Atlanta City Hall. This may provide an excellent subleasing opportunity – one that was not available two years ago and may not be an option two years from now.

Dean McNaughton and Lynn Smith of Cushman & Wakefield provided details on 17 properties for lease and five properties for sale within walking distance of City Hall with 50,000 or more square feet. Details are included as exhibits at the end of this report.

From among the sample of 17 projects, those with the greatest potential were evaluated by the panel using an informal ranking system. The panel prioritized six of the most desirable properties, using these criteria:

- Proximity to City Hall
- Convenient and ample parking
- Cost
- Timing and availability
- Short term versus long term solutions

The results of this ranking are summarized below in order of their potential. Category rankings were weighted 1 through 10, with 10 being the most beneficial for that category and 1 being the least beneficial.

Rank	Property Name	Proximity	Parking	Cost	Timing	Short-Term	Long-Term	Total
1	222 Mitchell	6	8	8	8	✓	✓	30
2	Trinity Campus	10	10	4	4		✓	28
3	Fulton County	8	6	6	8	✓	✓	28
4	Norfolk Southern	4	8	8	8		✓	28
5	Peachtree Center	2	9	7	10	✓	✓	28
6	180 Peachtree	2	7	7	10	✓	✓	26
7	Centennial Tower	2	5	7	10	✓	✓	24
8	261 Parking Deck	2	10	4	4		✓	20

1. 222 Mitchell Street – for sale

This existing building offers plenty of space in flexible, open floor plans and would be less expensive to renovate than build new. Current owner is Emory Morsberger – a member of the partnership that bought City Hall East – and already a partner with the City.

Positives

- 351,000 square feet
- Renovation is likely to be less expensive than new construction
- Easy four-block walk to City Hall
- Plenty of space all in one building
- Offers both long and short term solutions for space needs
- Likely the most flexible deal with option to lease or buy
- Customer-friendly and easy to retrofit
- Allows the City to rebrand its newly improved commitment to streamlining the permitting process and start fresh

Negatives

- Additional parking is needed to supplement 110 parking spaces on site, requiring construction of a new deck adjacent to the building
- Requires quick decision as owner is proceeding with converting the building to condos
- Is a four-block walk close enough? Does it feel safe enough?

It was suggested that if police or security officers were highly visible in the parking areas and along the route from this building or others, as well as installing adequate site lighting, the perception of safety would be greatly improved.

2. Combining new development at 104 Trinity with the new City Parking Deck

The .84-acre parcel of vacant land at 104 Trinity is directly across the street from City Hall's main entrance and already owned by the City. A new parking deck is now under construction adjacent to the site. The property provides an opportunity to take a holistic approach and create a campus master plan to custom fit the City's needs. Several floors of office space can be added on top of the new parking deck. As future demand for space warrants, the site at 104 Trinity can be built out as additional office space. Another option for additional space is to acquire and rehabilitate or construct new office space on the site of the former Atlanta Public Schools (APS) headquarters building.

Positives

- Best location

- Zoning of the vacant lot allows for up to 365,000 square feet of buildable space; an additional 43,000 square feet can be built above the parking deck
- Ample parking
- Ability to create a campus built to suit the City's needs
- Atlanta Public School's former headquarters building next door is available
- The potential for an excellent customer service experience with ability to ride elevator directly up to permitting offices from the parking deck below

Negatives

- High cost of new construction
- Timing – approx three or four years needed to demolish and build new offices
- Short term solution required

3. Various Buildings potentially being vacated by Fulton County – for lease

As Fulton County government continues to downsize, several attractive office spaces are vacant with more expected to become available. A referendum in June 2007 will determine if South Fulton becomes a city, further reducing the need for downtown office space. An inventory of all potentially available Fulton County office space should be conducted right away. Steve Cover and Michael Katzin highly recommend inquiring whether space is available at the 115 MLK Building on MLK Drive or at the upper level of the building at Peachtree and MLK that was understood to be recently vacated by Fulton County.

Positives

- Cost effective to use existing space that may need little renovation
- Quick move-in period
- Ample parking in the adjacent Underground Atlanta decks
- Shows a cooperative spirit between City and county government that taxpayers and the State of Georgia would applaud

Negatives

- Will Fulton County be ready to move quickly to sublease the space given the burden of the current transition on their resources ?
- Uncertainty of this alternative as a viable solution
- Leasing ultimately amounts to a short term solution

4. Former Norfolk Southern Regional Headquarters buildings – 175 and 185 Spring Street - for sale or lease

There are two buildings which could provide ready conversion to City offices at 175 and 185 Spring Street. The 185 Spring Street building offers plenty of space and parking, yet needs extensive renovation. 175 Spring Street is also available for sale or lease with an additional 63,640 square feet on three floors.

Positives

- A total of 145,295 square feet of office space on six floors
- Plenty of space all in one building
- Within walking distance, though five blocks from City Hall
- Offers both short and long term solutions for space needs
- Substantial amount of parking
- Additional free-standing building with 35,000 square feet on site

Negatives

- One block further from City Hall than 222 Mitchell Street
- “Edge location” with confusing one-way streets nearby
- Perception that immediate area is unsafe for walking to City Hall
- Need to determine if Norfolk Southern is willing to lease as well as sell
- Rumor that Wood Partners may have the buildings under contract

5. Peachtree Center – for lease

The mixed-use office complex’s new landlord – ACP – is aggressively making deals and eager to lease office space.

Positives

- Offers short and long term lease options with good flexibility
- Plenty of parking with negotiable rates for large tenants
- Good deals can be made

Negatives

- Long walk from City Hall
- Difficult for customer ingress and egress
- Small floor plates with minimal windows

6. 180 Peachtree Street – Old Macy’s department store – for lease

COA has leased the 5th floor here for its E-911 Call Center and selected IT operations. The 6th floor is being seriously considered as a temporary home for BOP, BOB and DPRCA. The building has a large amount of space available for lease and a large parking deck immediately adjacent to the building.

Positives

- Good central location with 1,200 parking spaces
- Offers excellent visibility and potential opportunity for Peachtree gallery space for DPRCA
- MARTA station across the street

Negatives

- Too far from City Hall; requires shuttle ride that eats up significant amounts of employees’ time and adds ongoing cost for the City

- High levels of security required for E-911 call center and IT functions sends a negative, unwelcoming first impression to BOP, BOB and DPRCA customers

7. Centennial Tower – 101 Marietta Street – for lease

Centennial Tower is a 36-story Class B+ building originally called 101 Marietta. In 1998, the building underwent a facelift and name change to Centennial Tower. Amenities include a health club, cleaners, newsstand, copy center, cafe, and 24-hour security. Access is relatively easy from I-85/I-75 and I-20, and more than 200 restaurants are within walking distance as is CNN Center, Georgia World Congress Center, Rialto Theater, Georgia Aquarium, Georgia Dome and Philips Arena. Other large tenants include Turner Broadcasting System.

Positives

- Proximity to amenities such as Centennial Olympic Park and restaurants
- Immediate availability for short and long term leases

Negatives

- Long walk to City Hall
- Parking availability is limited
- Lack of large contiguous spaces
- Difficult for customer ingress and egress

8. 261 Peachtree Center Avenue Parking Deck - for sale

The property – due east of 191 Peachtree - allows the City to build new office space over an existing parking deck.

Positives

- Ample parking with 2,100 spaces, though spaces would be costly
- MARTA station nearby
- Deck foundation could support as much as 500,000 square feet of office above

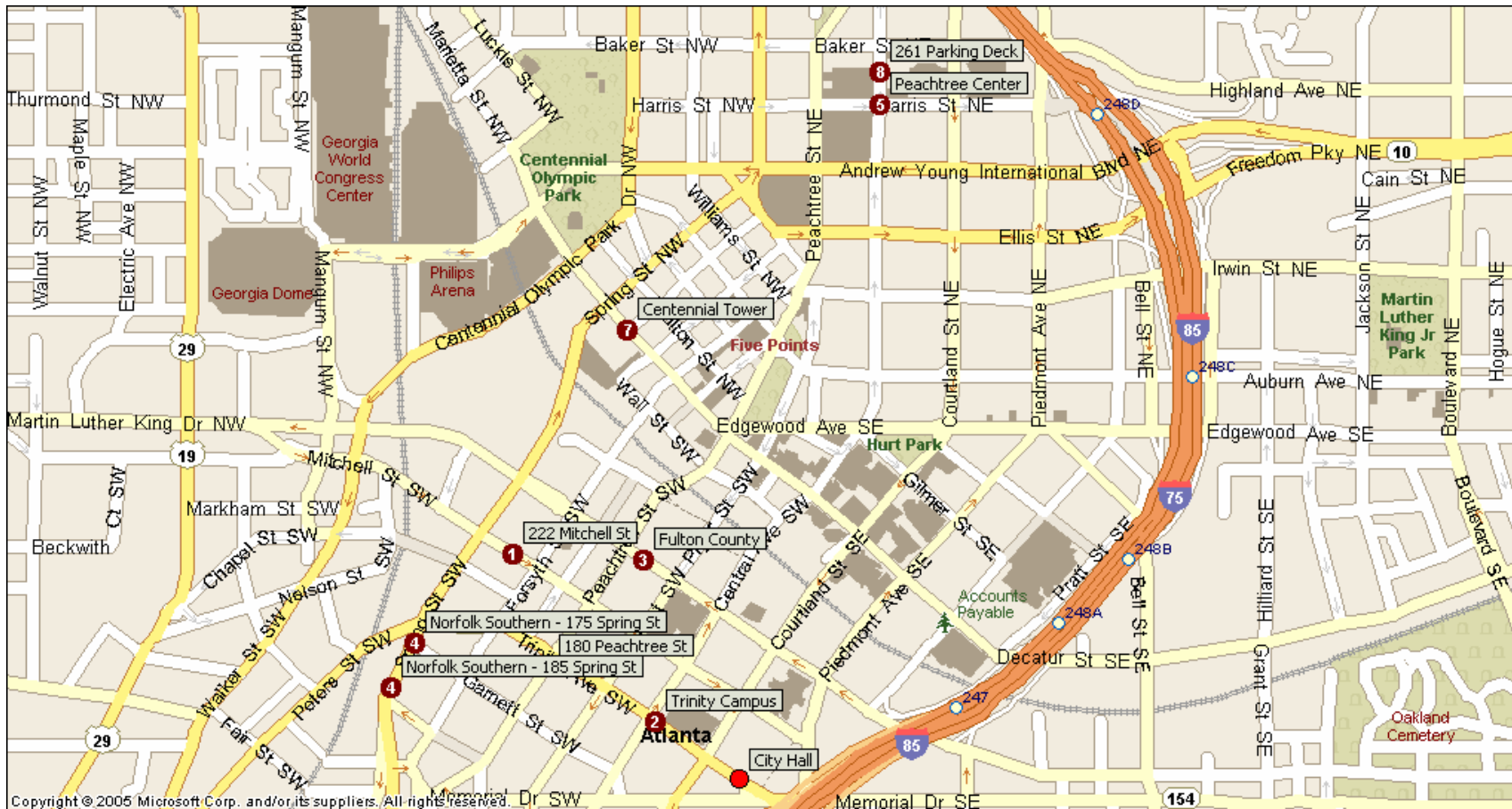
Negatives

- Long walk to City Hall
- Long time frame for new construction
- May not be viewed as suitable location for governmental offices—too high end

Other locations discussed, yet ultimately rejected

- Vacant Kroger space at City Plaza near City Hall—too difficult and costly to convert ground floor retail to office uses, though proximity is appealing
- Space at Underground Atlanta
- Old World of Coca-Cola at Underground—under contract to the State of Georgia

Property Locator Map



Improving Operations and Enhancing the Customer Service Experience

Situation

Before the City of Atlanta's overhaul of the permitting process, it took about 190 days to receive a commercial building permit. That average time frame is down to about 60 days. The average time to receive residential permits was 84 days, now streamlined to about 38 days.

Each year, approximately 45,000 building permits with 72 different types are issued, from small to complex. As intown development skyrockets, coupled with rising costs for each project and increasing levels of complexity for mixed-use developments, the need to streamline and improve the process becomes even more urgent.

Only 10% of the permits are for large projects including subdivisions and mixed-use commercial developments. Yet this group brings in the highest revenue so they are a very important customer group and often repeat customers.

Large developers frequently use "Permit Expeditors" who have benefited from the system's inefficiencies. Today, the expeditors are less in demand. Luz Borrero, the City's Chief Operating Officer, puts the situation in perspective with this example. "Two years ago, I received 20 complaints about the permitting process every day. Now, I rarely get any, and never a repeat complaint, which is a good indicator of significant customer service improvement."

ULI TAP Panel Operations and Customer Service Recommendations

ULI Atlanta's expert panel acknowledged and commended the City for recent improvements. These additional recommendations were suggested:

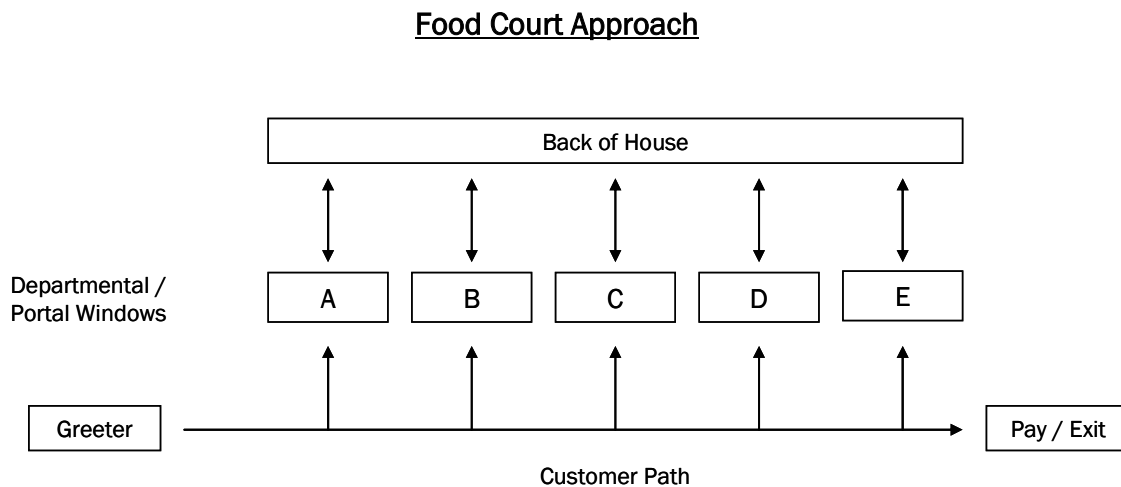
Joe Stryker, associate with the architectural firm of Smallwood, Reynolds, Stewart, Stewart & Associates, has first-hand experience in applying for COA permits. He says the most daunting task is the first point of contact. It remains a mystery who to call.

"I need a person to guide me through the process. I need someone who is readily available by phone and email," similar to a Wal-Mart **greeter or hotel concierge**. Stryker suggests the reception desk be more prominently established to give a friendly first impression.

Especially for complex developments, a **team of customer service facilitators** – probably trained at a higher level than greeters – should be available to search out answers and solve problems. Though COA now provides this kind of consistency through assigned "Large Project Teams" for major developers, it must be replicated for mid-size and small projects as well.

Convenient parking is also an issue. Ideally, parking should be within a short walk of BOB, located under, over or immediately adjacent, especially in light of customers carrying large sets of architectural plans.

Jim Rice, Michael Katzin and Monte Wilson of HOK led the discussion of what an ideal customer service experience might look like. The concept of a **one-stop, “food court style shopping experience”** was explored. Greeters could direct people to the window or station they need with a clear customer path to follow and cashiers can be the last stop, as depicted below.



Most cities locate all related permitting and building departments on the same floor in the same building. Similar “one-stop shop” systems are used effectively in permitting centers around the country including Phoenix – in a newly designed building – as well as Denver, Charlotte and Portland, Oregon. Ibrahim Maslamani, Director, Bureau of Buildings, noted that cities in rapidly developing tourist areas have the most efficient systems including Las Vegas, Orlando and Miami. Intown Atlanta will soon face similar increased pressures as residential and large commercial developments are quickly moving back inside the City limits.

Some City departments may not want to be part of a one-stop style operation. A “back of the house” design can also be included to offer a more integrated, open space configuration. Question: Does the one-stop shopping approach support departmental integration or promote isolated silos? The panel believes customers’ needs can be balanced with operational needs to integrate cross-departmental collaboration by providing the “one-stop-shop” as the “front of house” for customers, and an open, shared work environment in the “back of house” for City employees.

The City is exploring the idea of locating building inspectors and fire inspectors together, especially because both groups are in the field most of the time and need a minimal amount of temporary work space. They will be encouraged to simply

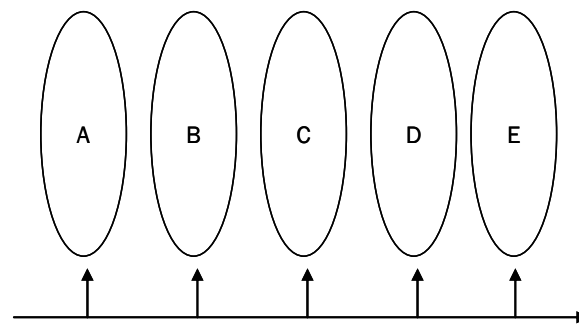
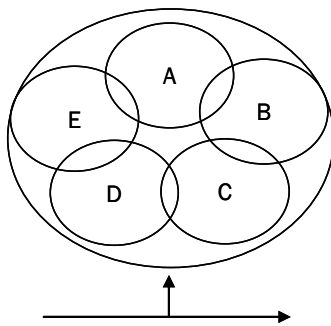
download information from PDAs into the central computer system at smaller, shared work stations. Plan reviewers will soon be part of BOB – another major improvement.

Steve Cover, Commissioner, Department of Planning and Community Development, noted that he had a positive experience with **multi-disciplinary review teams** while working at Fulton County and in Maryland. Every service required in issuing a permit was represented by a team member including electrical, mechanical, plumbing, site reviewers, traffic engineers and other key functions. Teams were assigned to four geographic areas. For COA, it makes sense to assign the same teams to the Southside, downtown, Midtown and Buckhead. Though initially met with resistance, engineers and others came to like the system and appreciate its effectiveness. A real camaraderie evolved among team members as well as increased productivity. There was no question about who to contact for any project. Below is a diagram depicting the use of multi-disciplinary review teams versus the traditional approach of fragmented departments.

Multi-Disciplinary Teams

vs.

Fragmented Departments



Ibrahim Maslamani has also had good experiences with the multi-disciplinary team approach, especially for subdivisions. However, he notes that the flaw occurs when one team member leaves. It is difficult to train a new member and integrate them quickly. It could also take the best people out of the general system.

Jim Rice, HOK, suggested the City create a pilot team and test, noting it would be important to use the right people who are willing to explore the multi-teaming approach to ensure success.

Additional recommendations

- The City should make a broad and **comprehensive evaluation of every space available at City Hall.**
- The City should make a comprehensive macro **utilization study of every property the City owns and leases.** It was noted that the City has plans to hire a Real Estate Portfolio Director to review existing City properties. The panel warned that would not be the right person to lead the effort, even though they would remain an active participant. Such an analysis should be led by a planner who understands design, space planning, how to select designers and bring multiple departments together efficiently and effectively.
- However, if the City does not have the luxury of time for such a comprehensive review, it is imperative that “serious **Test Fit studies**” **be implemented before moving into a new space.** Katzin urged, “Make sure you are not moving from bad to bad and that you have a confidence level that the new site will work.” Test Fit studies would entail concept space planning of the proposed space considering each department’s staffing, work processes and customer service methods desired. The process would also include confirming staff and customer parking, building connectivity and technology capabilities.
- Consider **making work processes more visible** by creating a more open and transparent work environment that supports increased collaboration and knowledge sharing.
- Consider ways to utilize the “major projects” style of organization for mid-range and smaller sized projects.
- **Add more conference rooms** to reduce long waits and provide attractive and efficient spaces to adequately review large plans. Improve spaces for storing large plans nearby so they are easily accessible for the duration of a project.
- Today, customers’ first impressions are intimidating, as if walking into chaos. Deflect that first impression by greeting people at an **attractive front desk and reception area** with a friendly, knowledgeable greeter who can guide them through the process. Take a cue from Starbucks and create a more inviting waiting area with coffee, magazines and possibly WiFi access so people can be productive while they wait.
- **Communicate your successes** more clearly. Let developers hear from the City directly and often, not just from Permit Expeditors’ biased perspective.

In summary

- Build a team of greeters and facilitators
- Consider a one-stop “shopping experience” with clear customer path to follow
- Parking immediately adjacent to the permitting facility would be ideal
- Try a pilot program with a multi-disciplined team assigned to the same geographic area for consistency and accountability
- Incorporate a space design that is conducive to the improved efficiencies and new initiatives incorporated by the City

Financial Considerations for the Permitting Facility

Introduction

Building upon outcomes from the March 29 TAP session, a third and final panel turned its attention to the issues of financing. The top three recommended properties were analyzed as viable long term solutions to create a “best in class” Permitting Center for Atlanta.

Short term solutions were also discussed to relocate the Department of Parks, Recreation and Cultural Affairs (DPRCA) by its deadline of December 31, 2007. Clearly, two solutions rose to the top.

Regarding financing, preliminary estimates were made and good suggestions offered. Questions remain based on the availability of more in-depth information.

Panel’s Top Two Recommendations

- **Long term:** The panel clearly recommends pursuing a “purpose built” City of Atlanta campus on the Trinity property directly across the street from City Hall. With a new parking deck now under construction, the site offers the best location and the most flexibility for maximizing the customer experience at the Permitting Center.
- **Short term:** It is too early to sign a lease at 180 Peachtree Street. The panel’s message is, “Keep looking.” There are less expensive options with more advantageous lease terms that are closer to City Hall in a more customer-friendly environment.

The Team

Moderators

Monte Wilson – HOK

Sarah Kirsch – Robert Charles Lesser & Co.

Panelists

Ken Bleakly – Bleakly Advisory Group

Addison Meriwether – Cushman & Wakefield

Stephen Arms – Marthasville Development

Jim Grissett – The Parthenon Group, Emory University

Jesse Clark – Songy Partners, TAP Coordinator

Sponsor - City of Atlanta

Luz Borrero – Deputy Chief Operating Officer

Steven Cover – Commissioner, Dept. of Planning and Community
Development (DPCD)

Dianne Harnell Cohen – Commissioner, Dept. of Parks, Recreation and
Cultural Affairs (DPRCA)

Ibrahim Maslamani – Director, Bureau of Buildings, DPCD

John Kinsey – Budget and Policy Manager, Dept. of Finance

Larry Gerlach – Atlanta Development Authority

Background

The following criteria were used to evaluate the favored three long term solutions for a newly designed Permitting Center. Not all criteria can be considered equally. For instance, customer satisfaction must be considered as a higher percentage of any scoring system.

- Cost
- Flexibility of the property
- Timing
- Customer satisfaction including convenience, improved customer service and efficiencies
- City employee benefits including morale and employee retention
- Impact on short term needs, especially DPRCA's move by year's end
- Financing strategy and impact on the City's budget

Weighing these factors, the Panel agreed that **building a new campus on the Trinity property** is clearly the optimum first choice, if the financial aspect is not a restraint.

In that scenario, **leasing space from Fulton County** came in as the top choice for DPRCA, noting that the space would be virtually ready to go, requiring the least amount of financial build-out. Yet other lease options should also be explored right away.

222 Mitchell Street ranked third. Though the building could serve as both a long and short term solution that would be less expensive than new construction, it is not close enough to City Hall to warrant a long term investment.

According to the panel, a cost benefit analysis should be conducted to evaluate and compare these key criteria on the Trinity property. Again, they should not all be given equal weight.

1. Operational Cost

Panel assumption: Trinity is clearly the best choice as a long term solution for DPCD, BOB and BOP and DPRCA.

2. Real Estate Cost

Panel assumption: Fulton County properties are probably the most affordable option for short term lease, though other downtown alternatives should be considered.

3. Financial Cost

Panel assumption: Costs must be defined and determined.

Situation

- City is not in a position to take on any additional bond debt for 10 years.
- City is not in a position to spend capital dollars.
- City has land as an asset. Determine how this asset can be optimized.
- Parking deck adjacent to 104 Trinity opens November 2007 with 850 spaces now under construction. 425 spaces are reserved for City employees; the remainder will be for the public, filling a strong demand for parking near City Hall.
- A bond provision requires that no new construction can be built on top of the parking deck until January 2010. New construction could begin on the vacant parcel at 104 Trinity as early as December 2007 in anticipation of adding more office space on top of the parking deck in three years.
- John Kinsey prefaced the session by saying the goal is to deliver the highest level of customer service by finding creative financing mechanisms that will allow the City to become “best in class” for operating an efficient Permitting Center. He also noted that the City’s 2008 budget will be tighter than ever. Long hours have been spent cutting tens of millions of dollars.
- Estimated costs to operate for City Hall are:
 - Maintenance: \$2.27 per square foot on average
 - Security: \$1.54 per square foot on average
 - Cleaning: \$1.09 per square foot on average

All three are below BOFA averages in comparison to facilities of similar age and size. Security costs for other COA facilities such as the City Court Building are slightly higher due to the functions of the building.

- The City's impact fees were set in 1993 based on the Georgia Developers Impact Fee Act which called for a specific and structured approach to setting these fees. COA's impact fees are comparable with other nearby cities and counties. Revenue collected from impact fees are earmarked for transportation, fire, police, parks north, parks west and parks south. Funds are used for such things as developing roads, building fire and police stations and parks development including buying land for new parks. This is an unlikely source of revenue for DPCD.
- Nearby churches and others looking for land for new residential projects are already pressuring COA to consider selling the Trinity parcel. It is important for the City to have a clear plan for the property, one that will resonate with taxpayers. A substantially upgraded, convenient place to secure building permits – large and small – is such a plan that will be well received.

Considerations for a Short Term Solution
to lease approximately 50,000 square feet

- There are other locations that are more financially advantageous than 180 Peachtree, especially for a three, four or five-year term. A 10-year deal, which DPRCA is close to signing, is not necessary.
- Explore Peachtree Center as a viable immediate alternative. Spaces are partially finished, not raw, with floor plans large enough for DPRCA's needs.
- In fact, panel member Addison Meriwether recently closed a deal for Goodwill Industries at \$15 per square foot for 10 years. Though Meriwether strongly recommends Peachtree Center, Diane Harnell Cohen expressed concern that her staff may not fit well with the corporate environment there. And the food court offers too many distractions.
- Retain a real estate broker to identify and start negotiating with motivated owners who are offering good to great lease rates in properties in the same or better proximity to City Hall than 180 Peachtree. Alternatives include 55 Park Place, the Hurt Building and others.
- Competition is key, even if one property like Peachtree Center gets eliminated, leave it on the table to keep competitive pressure on for other landlords.
- Develop a time line for each department leaving City Hall East indicating the amount of space needed, and when they need to move. DPRCA is the first.

- When another department or City Office needs 50,000 square feet or more, they will go to Trinity even though it could take four years to complete.

Considerations for a Long Term Solution on Trinity Street

- The good news is that the investment has already been made to accommodate new construction above the deck – including a solid foundation that can easily support more stories, securing air rights, and purposely building right up to the property line of 104 Trinity to optimize connectivity to a future building there.
- The panel recommends that a new building on the 104 Trinity parcel be an A-building as one way to reign in costs. While it can make a statement – including the City’s commitment to green building principles - it should not be lavish. The new building should exude efficiency and be designed with customer service in mind.
- In addition, the ULI panel recommends that the City take this opportunity to explore the idea of creating an Atlanta Government District downtown. By involving an organization like Central Atlanta Progress, a collaborative long range planning effort can begin with the City of Atlanta, Fulton County, Atlanta Public Schools, the State of Georgia and several federal agencies. All have a major stake in the future health of downtown Atlanta yet no coordinated approach to the physical layout of properties, parking and amenities is in place. All will have needs for expanded space in the future, yet lack a coordinated plan of action. The result could be a highly functional, architecturally appealing Government District with shared infrastructure to use resources wisely and create attractive civic places that citizens and government workers can be proud of. The goal would be to coordinate the efforts of individual governments with a cohesive strategy and long range plan that would maximize the impacts and amenities of a project like a possible campus at 104 Trinity Street.

Preliminary Look at Financing

Initial calculations by the panel indicate that the cost for a new building downtown is approximately \$220 per square foot including the Davis-Bacon premium of 20%. The cost to retrofit an existing building comes in at approximately \$163 per square foot, without the Davis-Bacon premium.

New versus Existing Building Rehabilitation Analysis
(250,000 sf building / 50,000 sf footprint)

	SF Costs (A)			SF Costs with Davis Bacon			
	New Building	Rehabilitate Building (F)	Difference	Davis Bacon Multiplier	New Building	Rehabilitate Building (F)	Difference
Acquisition							
Land (\$70 / sf of land)	10 (B)	na		1	10	na	
Building	na	50		1	na	50	
Site Work	8	2		1.2	9.6	na	
Shell							
Structure	50	5 (C)		1.2	60	6	
Skin	30	20 (D)		1.2	36	24	
MEP and Conveying Systems							
Demolition	na	2		1.25	na	2.5	
Elevator (New and Rehab)	5	2		1.2	6	2.4	
New MEP	26	28		1.25	32.5	35	
Interiors							
Interiors Demolition	na	4		1.25	na	5	
Interiors Installation	35	35		1.25	43.75	43.75	
Voice and Data	8	12		1.25	10	15	
Other							
Soft Costs (Design)	7	5		1	7	5	
Carry Cost	10	6		1	10	6	
	<u>189</u>	<u>171</u>	<u>18</u>		<u>224.85</u>	<u>194.65</u>	<u>30.2</u>
Add FF&E	30	30		1	30	30	
Estimated Operating Cost	6 (E)	7.5 (E)					
Lease Comps (with Buildout)		16 (in Existing Downtown Buildings)					
		Or look for 2nd generation space for a shorter term					

Notes:

- A - Excludes Davis Bacon Wage Rates and Time Delay
- B - Assumes FAR of 7
- C - Structural Modifications
- D - Window Replacement and Roofing
- E - Excludes Property Taxes
- F - Excludes Construction of Additional Parking Needs

Miscellaneous Info

250,000	Building Size
56,212,500	Building Cost - based on ~\$220 / sf
43,560	SF / Acre
<u>0.86</u>	Site Size
37,462	Footprint if you max the space out

Possible Solutions

- Sale lease-back with third party as the owner, perhaps the Atlanta Development Authority or reputable commercial developer procured through an RFP process.
- Create a new revenue stream by adding an additional \$25 to the cost of permits, especially if customers know the increase goes toward a long term solution of building a cohesive COA campus to maximize the customer experience including convenient, less expensive parking. Ibrihim Maslamani believes this is possible, especially if the immediate customer experience continues to improve. He noted that COA recently added a Plan Review Fee that generated \$4 million.

Follow Up and Next Steps

- Do an RFP or Expression of Interest to involve a commercial real estate broker to aggressively negotiate short term lease options for DPRCA. ULI can assist by drafting a letter and following up. The goal is to secure more competitive lease terms than what is being offered at 180 Peachtree in a building closer to City Hall, and more customer-friendly. A five-year lease is easy to secure; there is no need to commit to a 10-year lease in today's downtown office market.
- Drill down on actual costs of COA's new Public Safety headquarters building as a benchmark. Ken Bleakly will explore construction costs with the contractor, Turner Construction. Based on a total construction cost of \$47 million for 170,000 square feet, the price comes to \$276 per square foot. This seemed high to the panel. Luz Borrero noted that "every penny was squeezed there" and very few specialized features were required. Additionally, some of the land had to be purchased at approximately \$78 per square foot.
- Involve a good contractor to volunteer some time to provide the City with solid construction cost estimates on the Trinity campus concept. Perhaps Turner Construction would be willing.
- Establish a timeline for relocating every department. The working schedule, which currently includes moving DPRCA to 180 Peachtree, is as follows:

July 1, 2007: Lease at 180 Peachtree signed; begin tenant improvements on 5th floor and possibly 6th floor

October/November 2007: Tenant improvements completed at 180 Peachtree; begin testing 911 systems; begin relocating data center

November 2007: Parking deck at Trinity, Central and Washington completed

December 2007: DPRCA relocated from City Hall East (CHE)

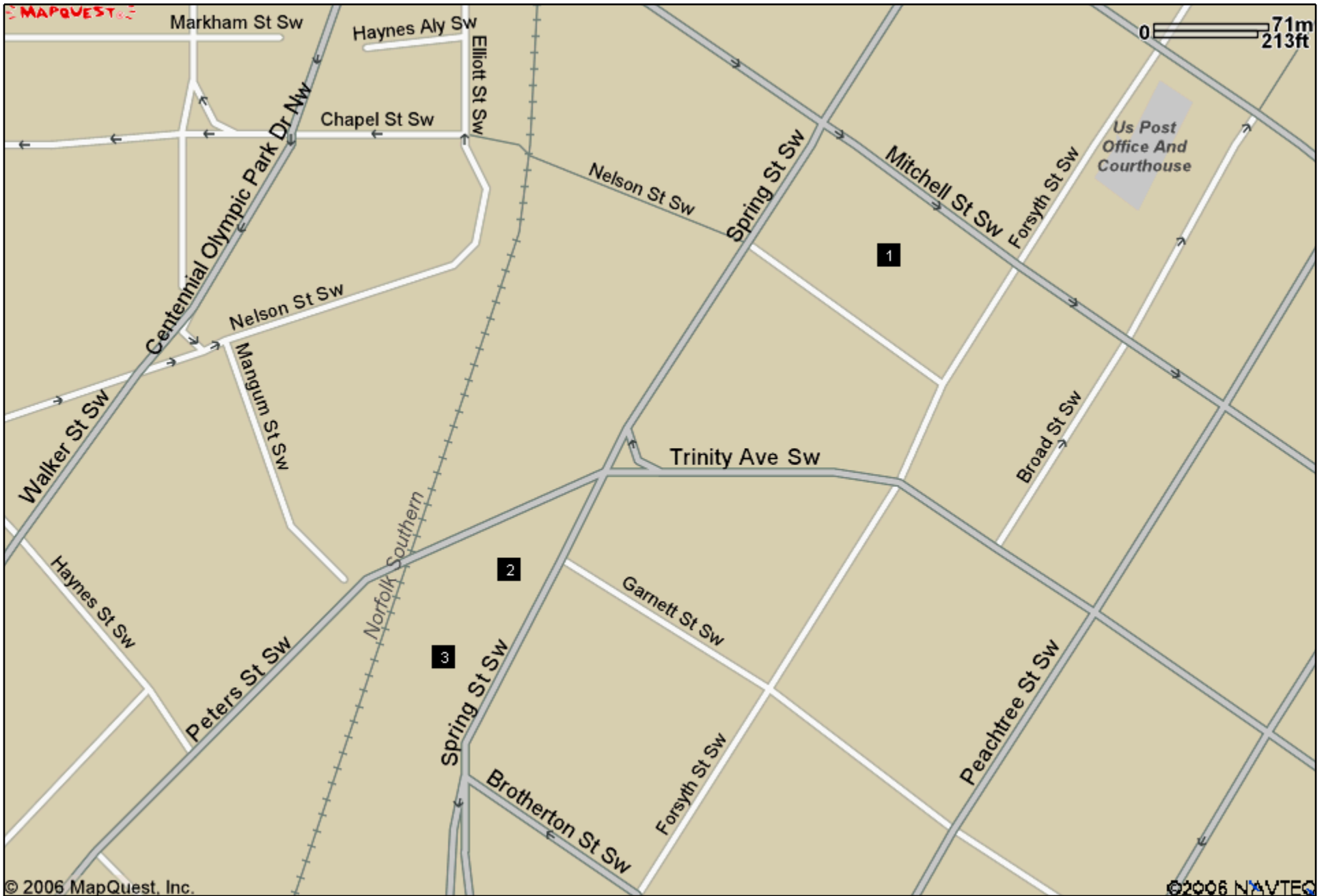
June/July/August 2008: Relocate all remaining departments from CHE including Public Safety and others

- Research best practices nationally on ways other cities fund new construction, as well as their permitting process. Perhaps ULI has studied this in other cities, or the American Institute of Architects (AIA).
- Research costs of building permits in other major US cities. Atlanta's permitting fees may be below market nationally. Look at California and Florida. Both states have done very creative government financing and may be a model COA can emulate. As the City has not compared permit fees to other cities in several years, the time is right. Jim Grissett's students at Emory University may be able to handle some of this research.
- Currently, City departments do not pay rent back to the City budget. Determine if it is better to pay rent rather than make payments on a capital expense.
- Determine if the new Permitting Center can become a tax-free entity. With further investigation, it is very possible to get there.
- Determine other potential revenue streams. For example, air rights or land could be leased from ADA.
- Identify ways the City can expedite the process of getting a new facility up and running on Trinity Street.
- Walk through the Trinity Campus concept with the City's Auditor. Determine if new construction must go on the City's balance sheet. Initially, the Trinity parking deck was not going on the City's balance sheet, however it will soon. Determine if other lease-back alternatives exist.
- Explore the possibility of COA managing its own development to eliminate an outside developer's mark-up.

#

EXHIBIT A

Downtown Properties For Sale



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5/2/2007

Page 1

1

222 Mitchell St SW



Location: AKA 206 Mitchell St
 Downtown Atlanta Cluster
 Downtown Atlanta Submarket
 Fulton County
 Atlanta, GA 30303

Building Type: Class B Office
 Status: Built Jan 1941, Renov Jan 1972

Stories: 6
 RBA: 351,000 SF
 Typical Floor: 59,010 SF
 Total Avail: 351,000 SF
 % Leased: 0%

Developer: -
 Management: -
 Recorded Owner: Dumplings Highpoint, LLLP

For Sale: For Sale at \$18,000,000 (\$51.28/SF) - Active
 Expenses: 2004 Est Tax @ \$0.16/sf
 Parcel Number: 14-0077-0005-045
 Parking: 110 Surface Spaces are available; Ratio of 0.31/1,000 SF

Floor	SF Avail	Floor Contig	Bldg Contig	Rent/SF/Yr + Svs	Occupancy	Term	Type
	351,000	351,000	351,000	For Sale Only	Vacant	-	Direct

Building Notes

Located in the Westside TAD district. The 351,000 sq ft building sits on 2.08 acres of land. It occupies an entire block fronted by Mitchell St, Spring St, Forsyth St and Nelson St.

Parking: 110 parking spaces that includes both an attached deck and contiguous surface lot.
 Elevators: 8 passenger/ 3 freight; capacities range from 1500 to 5000 lbs.
 HVAC Systems: four centrifugal chillers totaling 1320 tons.
 Emergency Power: provided by three 765 KW Diesel generators for the UPS system. A 720 KW Caterpillar generator handles the central plant and one



425 KW Detroit Diesel generator handles life safety and air handling equipment.



Location: Downtown Atlanta Cluster
 Downtown Atlanta Submarket
 Fulton County
 Atlanta, GA 30303

Building Type: Class C Office
 Status: Built 1950

Stories: 3
 RBA: 63,640 SF
 Typical Floor: 21,213 SF
 Total Avail: 63,640 SF
 % Leased: 0%

Developer: -
 Management: Norfolk Southern Corporation
 Recorded Owner: Norfolk Southern Corporation

For Sale: For Sale individually - Active; also for sale as part of a portfolio of 2 buildings - Active
 Parking: Ratio of 2.50/1,000 SF

Floor	SF Avail	Floor Contig	Bldg Contig	Rent/SF/Yr + Svs	Occupancy	Term	Type
	63,640	63,640	63,640	For Sale Only	120 Days	-	Direct
E 1st	21,213	21,213	63,639	Negotiable	Vacant	Negotiable	Direct
E 2nd	21,213	21,213	63,639	Negotiable	Vacant	Negotiable	Direct
E 3rd	21,213	21,213	63,639	Negotiable	Vacant	Negotiable	Direct

Building Notes

* This building is part of a four building complex that is approximately 80,000-404,000sf. It is available for lease or for sale as a package along with 99, 125, 185, Spring St. SW for \$19,750,000.



* 175 and 185 Spring St. SW can be sold together for \$9,750,000.

* Building works well for technology users due to multi fiber optic providers and access power.

*Owner will be vacating early this summer



Location: Downtown Atlanta Cluster
 Downtown Atlanta Submarket
 Fulton County
 Atlanta, GA 30303

Building Type: Class C Office
 Status: Built 1982

Stories: 6
 RBA: 145,295 SF
 Typical Floor: 24,215 SF
 Total Avail: 145,295 SF
 % Leased: 0%

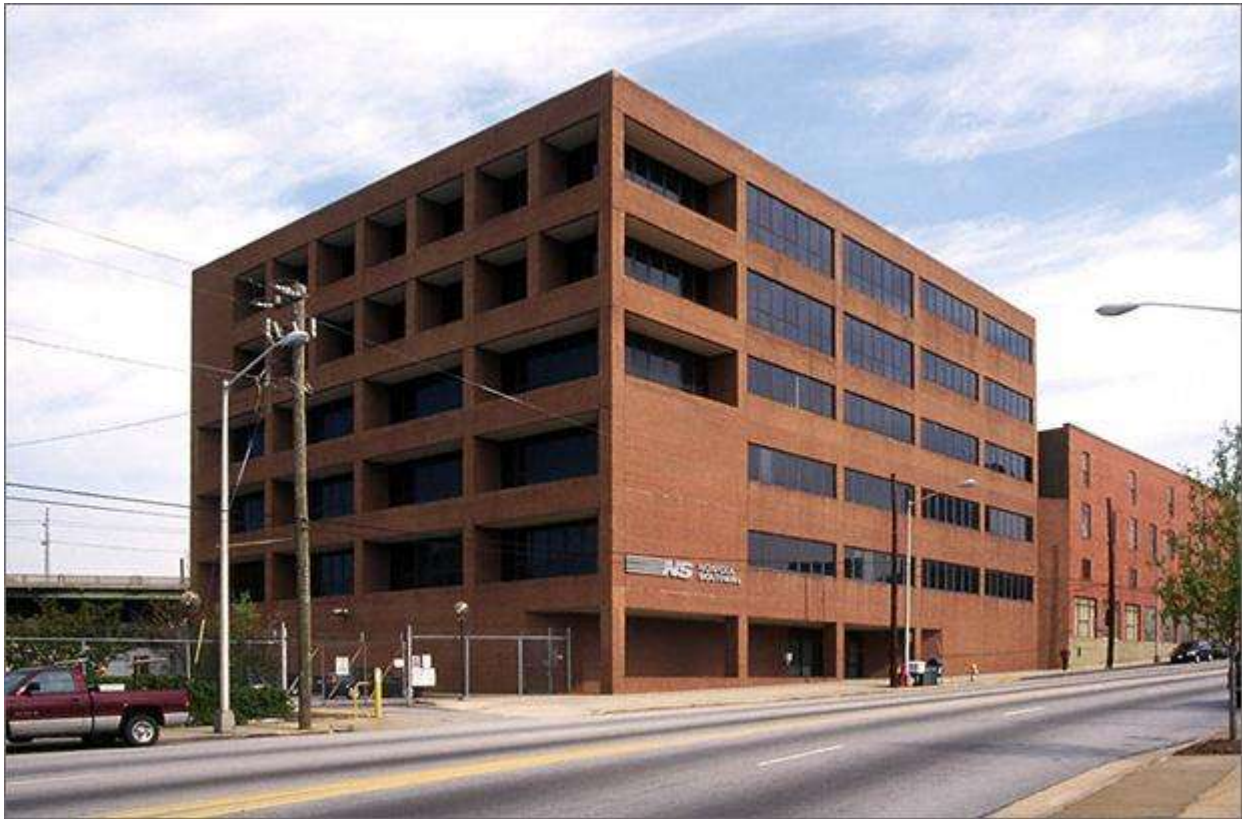
Developer: -
 Management: Norfolk Southern Corporation
 Recorded Owner: Norfolk Southern Corporation

For Sale: For Sale individually - Active; also for sale as part of a portfolio of 2 buildings - Active
 Parcel Number: 0014-0084-0012-002, 14-0084-0012-002
 Parking: Ratio of 2.50/1,000 SF

Floor	SF Avail	Floor Contig	Bldg Contig	Rent/SF/Yr + Svs	Occupancy	Term	Type
E 1st	15,000 - 24,216	24,216	467,660	Negotiable	Vacant	Negotiable	Direct
E 2nd	15,000 - 24,215	24,215	467,660	Negotiable	Vacant	Negotiable	Direct
E 3rd	15,000 - 24,216	24,216	467,660	Negotiable	Vacant	Negotiable	Direct
E 4th	15,000 - 24,216	24,216	467,660	Negotiable	Vacant	Negotiable	Direct
E 5th	15,000 - 24,216	24,216	467,660	Negotiable	Vacant	Negotiable	Direct
E 6th	15,000 - 24,216	24,216	467,660	Negotiable	Vacant	Negotiable	Direct

Building Notes

* This building is part of a four building complex that is approximately 80,000-404,000sf. It is available for lease or for sale as a package along with



99, 125, 175, Spring St. SW for \$19,750,000.

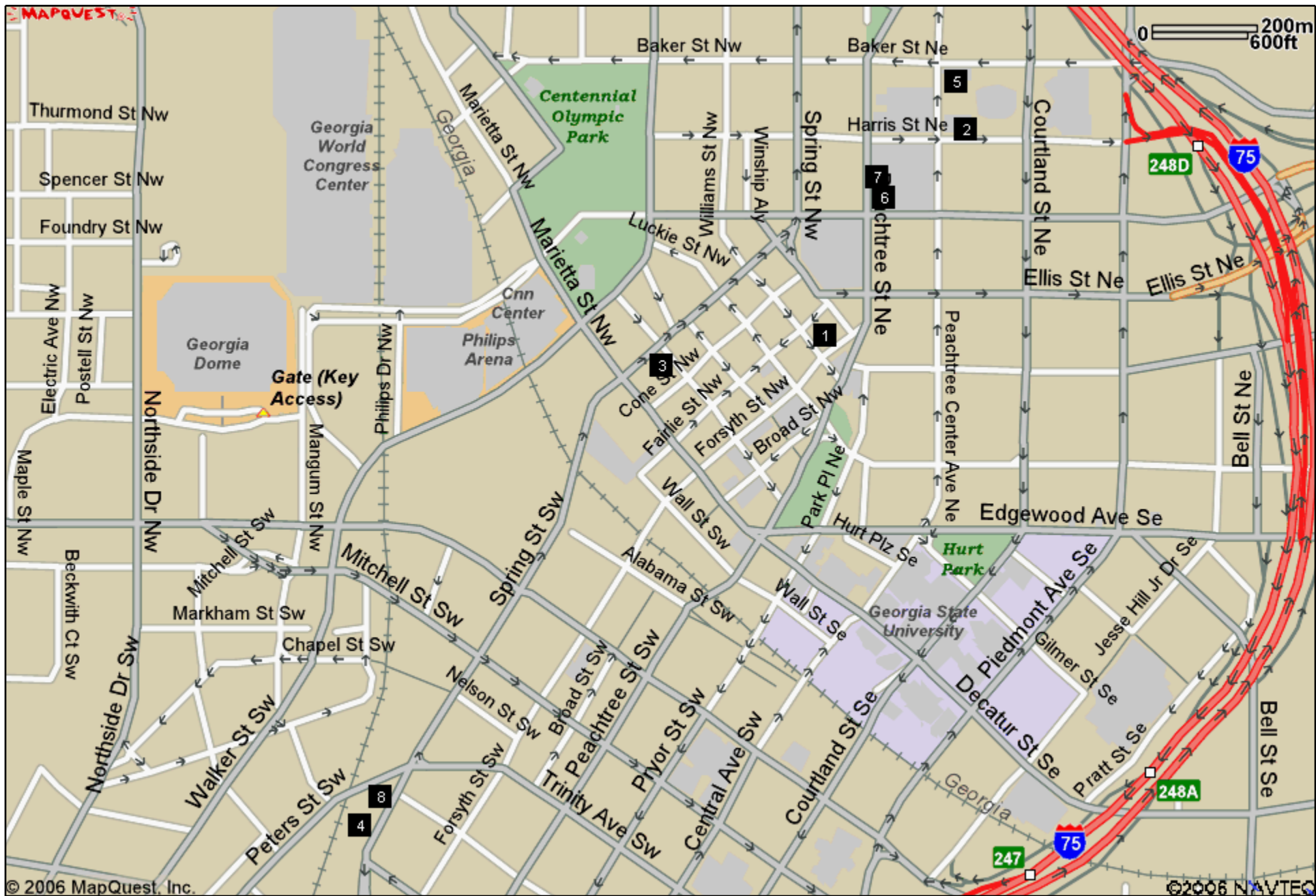
* 175 and 185 Spring St. SW can be sold together for \$9,750,000.

* Building works well for technology users due to multi fiber optic providers and access power

*The owner will be vacating property late this summer.

EXHIBIT B

Downtown Properties For Lease



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1

180 Peachtree St NW



Location: Downtown Atlanta Cluster
 Downtown Atlanta Submarket
 Fulton County
 Atlanta, GA 30303

Building Type: Class B Office
 Status: Built 1927, Renov Aug 2000

Stories: 6
 RBA: 500,000 SF

Typical Floor: 83,000 SF

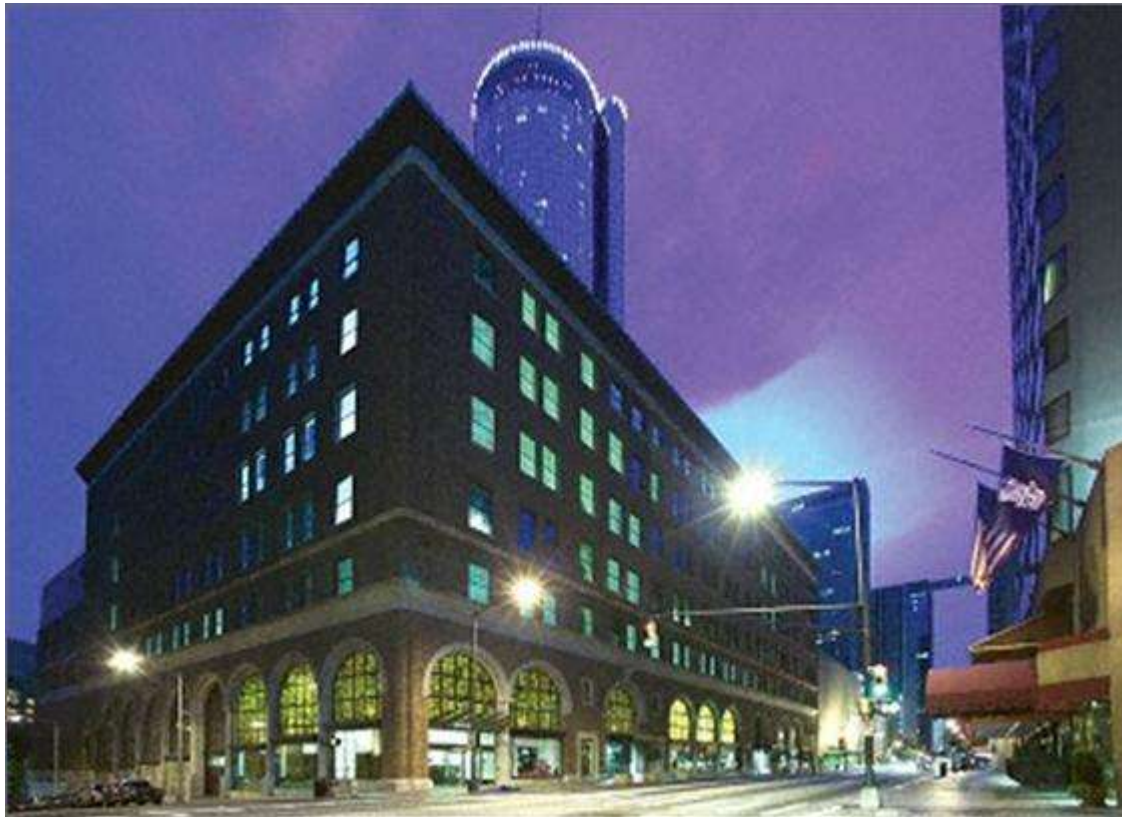
Total Avail: 360,175 SF
 % Leased: 28.0%

Developer: -
 Management: Atlanta Xchange
 Recorded Owner: AtlantaXchange, LLC

For Sale: Not For Sale
 Parking: 600 Covered Spaces are available; Ratio of 3.30/1,000 SF
 Amenities: Security System

Floor	SF Avail	Floor Contig	Bldg Contig	Rent/SF/Yr + Svs	Occupancy	Term	Type
E BSMT Former Macy's - Downtown Atlanta.	60,000	60,000	60,000	\$10.00/negot	Vacant	Negotiable	Direct
E 1st Former Macy's - Downtown Atlanta.	75,000	75,000	75,000	\$10.00/negot	Vacant	Negotiable	Direct
E MEZZ Former Macy's - Downtown Atlanta.	48,149	48,149	48,149	\$10.00/negot	Vacant	Negotiable	Direct
P 2nd Ideal for office use and shell condition.	10,000 - 67,255	67,255	67,255	\$12.00/n	Vacant	3-5 yrs	Direct

180 Peachtree St NW(cont'd)



Floor	SF Avail	Floor Contig	Bldg Contig	Rent/SF/Yr + Svs	Occupancy	Term	Type
E 5th	10,000 - 54,486	54,486	109,771	\$12.50/n	Vacant	3-5 yrs	Direct
Ideal for data center or telecom facility. 8,891sf of raised flooring; 7,540sf of power room build-out. State of the art data center.							
E 6th	10,000 - 55,285	55,285	109,771	\$12.50/n	Vacant	3-5 yrs	New
Ideal for data center or telecom facility. 8,891sf of raised flooring; 7,540sf of power room build-out. State of the art data center.							

Building Notes

Floors 2-6 have been redeveloped for data center or telecom use. Raised floor, wired for fiber. Former Macy's department store. Upgraded dual grid power, existing buried fuel tanks, high ceilings, heavy floor loads. Near I-285 and GA 400. Premier CBD Peachtree Street address and access. Immediate access to MARTA rail at Peachtree Center Station. Multiple restaurants, shops, and hotels within walking distance of the building. Direct access from building to parking facility. Building has been renovated to include new generators, electrical, HVAC, UPS, sprinkler, fuel and security systems.

Area highlights include the Georgia Aquarium, World of Coca Cola, Imagine It! Children's Museum, America's Mart (4.2 million S.F. wholesale marketplace), The Omni Hotel, The Hyatt Regency, and Underground Atlanta.



Location: Marquis One
 Downtown Atlanta Cluster
 Downtown Atlanta Submarket
 Fulton County
 Atlanta, GA 30303

Building Type: Class A Office
 Status: Built Nov 1985

Stories: 30
 RBA: 455,917 SF
 Typical Floor: 18,101 SF
 Total Avail: 284,753 SF
 % Leased: 66.0%

Developer: -
 Management: America's Capital Partners
 Recorded Owner: America's Capital Partners

For Sale: Not For Sale
 Expenses: 2004 Est Tax @ \$2.13/sf; 2002 Est Ops @ \$7.15/sf
 Parcel Number: 14-0051-0002-097
 Parking: Ratio of 2.00/1,000 SF
 Amenities: Banking, Conferencing Facility, Dry Cleaner, Fitness Center, On Site Management, Restaurant

Floor	SF Avail	Floor Contig	Bldg Contig	Rent/SF/Yr + Svs	Occupancy	Term	Type
P GRND / Suite 50	5,717	5,717	5,717	\$20.00/nnn	Vacant	5-10 yrs	Direct
P GRND / Suite 25	526	526	526	\$20.00/nnn	Vacant	5-10 yrs	Direct
P 1st / Suite 200	1,470	1,470	1,470	\$20.00/nnn	30 Days	5-10 yrs	Direct
P 1st / Suite 225	1,529	1,529	1,529	\$20.00/nnn	30 Days	5-10 yrs	Direct
P 4th / Suite 400	12,503	12,503	12,503	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct
P 5th / Suite 501	3,957	3,957	3,957	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct
P 5th / Suite 504	527	527	527	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct
P 5th / Suite 515	3,957	3,957	3,957	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct
E 7th / Suite 700	18,093	18,093	18,093	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct

245 Peachtree Center Ave NE - Marquis One(cont'd)



Floor	SF Avail	Floor Contig	Bldg Contig	Rent/SF/Yr + Svs	Occupancy	Term	Type
P 8th / Suite 806	4,017	4,017	4,017	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct
P 8th / Suite 804	4,281	4,281	4,281	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct
P 8th / Suite 803	1,539	1,539	1,539	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct
P 10th / Suite 1050	8,570	8,570	8,570	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct
E 11th	17,001	17,001	51,003	\$12.00/fs	Vacant	Thru Jan 2008	Sublet
E 11th / Suite 1100	18,101	18,101	18,101	\$20.50-\$21.50/fs	30 Days	5-10 yrs	Direct
E 12th / Suite 1200	18,101	18,101	18,101	\$20.50-\$21.50/fs	30 Days	5-10 yrs	Direct
E 12th	17,001	17,001	51,003	\$12.00/fs	Vacant	Thru Jan 2008	Sublet
E 14th	17,001	17,001	51,003	\$12.00/fs	Vacant	Thru Jan 2008	Sublet
E 14th / Suite 1400	18,101	18,101	18,101	\$20.50-\$21.50/fs	30 Days	5-10 yrs	Direct
E 15th / Suite 1500	18,123	18,123	54,287	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct
E 16th / Suite 1600	17,751	17,751	54,287	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct
E 17th / Suite 1700	18,413	18,413	54,287	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct
E 18th / Suite 1800	18,413	18,413	18,413	\$20.50-\$21.50/fs	30 Days	5-10 yrs	Direct
P 20th / Suite 2003	2,435	2,435	2,435	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct
P 22nd / Suite 2200	1,481	1,481	1,481	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct
P 22nd / Suite 2220	3,086	3,086	3,086	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct
P 22nd / Suite 2210	1,679	1,679	1,679	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct
P 22nd / Suite 2250	2,295	2,295	2,295	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct
P 22nd / Suite 2260	3,075	3,075	3,075	\$20.50-\$21.50/fs	30 Days	5-10 yrs	Direct
P 22nd / Suite 2280	2,363	2,363	2,363	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct
P 23rd / Suite 2301	4,455	4,455	4,455	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct
P 24th / Suite 2425	2,693	2,693	2,693	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct
P 24th / Suite 2430	4,943	4,943	4,943	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct
P 25th / Suite 2560	1,357	1,357	1,357	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct
P 25th / Suite 2570	3,273	3,273	3,273	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct
P 28th / Suite 2850	6,926	6,926	6,926	\$20.50-\$21.50/fs	Vacant	5-10 yrs	Direct

2

245 Peachtree Center Ave NE - Marquis One(cont'd)



Building Notes

The building is located near I-75, near I-85 and is close to a hotel and shopping mall. The building featured emergency power, a news stand, hair salon, postal services, on-site security and after hours HVAC. It is near the MARTA rail stop and a medical facility.

3

101 Marietta St NW - Centennial Tower



Location: Centennial Tower
 Downtown Atlanta Cluster
 Downtown Atlanta Submarket
 Fulton County
 Atlanta, GA 30303

Building Type: Class A Office
 Status: Built Jan 1975, Renov Jan 1999

Stories: 36
 RBA: 638,731 SF
 Typical Floor: 18,105 SF
 Total Avail: 171,558 SF
 % Leased: 79.0%

Developer: Lennar Partners
 Management: Jackson Oats Shaw Corporate Real Estate
 Recorded Owner: Jackson Oats Shaw Corporate Real Estate

For Sale: Not For Sale
 Expenses: 2003 Est Ops @ \$7.63/sf
 Parcel Number: 0014-0078-0011-056, 14-0078-0011-056
 Parking: 572 Covered Spaces @ \$110.00/mo; Reserved Spaces @ \$110.00/mo; Ratio of 0.90/1,000 SF
 Amenities: Concierge

Floor	SF Avail	Floor Contig	Bldg Contig	Rent/SF/Yr + Svs	Occupancy	Term	Type
P LBBY / Suite C	3,000 - 6,000	6,000	6,000	\$18.00-\$23.50/n	Vacant	5-10 yrs	New
Office or retail space.							
E 7th / Suite 700	18,118	18,118	54,354	\$18.00-\$23.50/fs	Vacant	5-10 yrs	Direct
E 8th / Suite 800	18,118	18,118	54,354	\$18.00-\$23.50/fs	Vacant	5-10 yrs	Direct
E 9th / Suite 900	18,118	18,118	54,354	\$18.00-\$23.50/fs	Vacant	5-10 yrs	Direct
E 14th / Suite 1400	17,940	17,940	35,880	\$18.00-\$23.50/fs	Vacant	5-10 yrs	Direct
E 15th / Suite 1500	17,940	17,940	35,880	\$18.00-\$23.50/fs	Vacant	5-10 yrs	Direct

101 Marietta St NW - Centennial Tower(cont'd)



Floor	SF Avail	Floor Contig	Bldg Contig	Rent/SF/Yr + Svs	Occupancy	Term	Type
E 16th	10,000 - 18,800	18,800	18,800	\$17.00/fs	30 Days	Thru Nov 2010	Sublet
Includes 16 private offices, 87 workstations, 4 conference rooms, training room, break room and server room with supplemental HVAC. Furniture available. Depending on the ideal lay-out, a tenant would be able to sublease either one of these floors, and the current tenant would re-locate if necessary.							
E 17th	10,000 - 18,800	18,800	18,800	\$17.00/fs	30 Days	Thru Jun 2010	Sublet
Includes 16 private offices, 87 workstations, 4 conference rooms, training room, break room and server room with supplemental HVAC. Furniture available. Depending on the ideal lay-out, a tenant would be able to sublease either one of these floors, and the current tenant would re-locate if necessary.							
E 28th / Suite 2800	18,800	18,800	18,800	\$18.00-\$23.50/fs	Vacant	5-10 yrs	Direct
P 33rd / Suite 3375	4,037	4,037	4,037	\$18.00-\$23.50/fs	Vacant	5-10 yrs	Direct
Nice space.							
P 36th	14,887	14,887	14,887	\$24.00/fs	Vacant	5-10 yrs	Direct

Building Notes

May 2005: LNR Property Corp sold the property to Jackson Oats Shaw Corporate Real Estate. CB Richard Ellis Group Inc represented the seller and Jackson Oats Shaw represented the buyer.

Newly renovated Class A building with spectacular views of Centennial Olympic Park, Downtown, and Midtown. Renovation included new elevators, electric systems, and mechanical systems. Ample parking, Nonreserved parking for \$135. Newstand, full service dry cleaner, cafe, and ATM.

Dual fiber optic telecommunication feeds. On-site security. Near MARTA stop. Street level finishes featuring polished and flamed granite, stainless steel, and clear glass on the first three floors. Elegant ground floor lobby with dark polished wood and imported marble finishes, and custom artwork.

Centennial Tower was originally called 101 Marietta, until 1998, when the building underwent a facelift and chevrons were added to the building. 101 Marietta was the building which served as the headquarters for Burge and Stevens (later known as Stevens and Wilkinson), the building's architects, from 1923 to 1969.



Location: Downtown Atlanta Cluster
 Downtown Atlanta Submarket
 Fulton County
 Atlanta, GA 30303

Building Type: Class C Office
 Status: Built 1982

Stories: 6
 RBA: 145,295 SF
 Typical Floor: 24,215 SF
 Total Avail: 145,295 SF
 % Leased: 0%

Developer: -
 Management: Norfolk Southern Corporation
 Recorded Owner: Norfolk Southern Corporation

For Sale: For Sale individually - Active; also for sale as part of a portfolio of 2 buildings - Active
 Parcel Number: 0014-0084-0012-002, 14-0084-0012-002
 Parking: Ratio of 2.50/1,000 SF

Floor	SF Avail	Floor Contig	Bldg Contig	Rent/SF/Yr + Svs	Occupancy	Term	Type
E 1st	15,000 - 24,216	24,216	467,660	Negotiable	Vacant	Negotiable	Direct
E 2nd	15,000 - 24,215	24,215	467,660	Negotiable	Vacant	Negotiable	Direct
E 3rd	15,000 - 24,216	24,216	467,660	Negotiable	Vacant	Negotiable	Direct
E 4th	15,000 - 24,216	24,216	467,660	Negotiable	Vacant	Negotiable	Direct
E 5th	15,000 - 24,216	24,216	467,660	Negotiable	Vacant	Negotiable	Direct
E 6th	15,000 - 24,216	24,216	467,660	Negotiable	Vacant	Negotiable	Direct

Building Notes

* This building is part of a four building complex that is approximately 80,000-404,000sf. It is available for lease or for sale as a package along with



99, 125, 175, Spring St. SW for \$19,750,000.

* 175 and 185 Spring St. SW can be sold together for \$9,750,000.

* Building works well for technology users due to multi fiber optic providers and access power

*The owner will be vacating property late this summer.

285 Peachtree Center Ave NE - Marquis Two



Location: Marquis Two
 Downtown Atlanta Cluster
 Downtown Atlanta Submarket
 Fulton County
 Atlanta, GA 30303

Building Type: Class A Office
 Status: Built Dec 1987

Stories: 28
 RBA: 451,266 SF
 Typical Floor: 17,900 SF
 Total Avail: 147,347 SF
 % Leased: 68.8%

Developer: -
 Management: America's Capital Partners
 Recorded Owner: America's Capital Partners

For Sale: Not For Sale
 Parcel Number: 14-0051-0002-098
 Parking: Reserved Spaces @ \$95.00/mo; Ratio of 2.00/1,000 SF
 Amenities: Banking, Conferencing Facility, Dry Cleaner, Fitness Center, Food Service, Mail Room, On Site Management, Restaurant

Floor	SF Avail	Floor Contig	Bldg Contig	Rent/SF/Yr + Svs	Occupancy	Term	Type
P 1st / Suite 10	379	379	379	\$20.50-\$21.50/fs	30 Days	3-5 yrs	Direct
P 1st / Suite 50	3,327	3,327	3,327	\$20.50-\$21.50/fs	30 Days	3-5 yrs	Direct
P 1st / Suite 60	967	967	967	\$20.50-\$21.50/fs	30 Days	3-5 yrs	Direct
P 1st / Suite 75	2,257	2,257	2,257	\$20.50-\$21.50/fs	Vacant	3-5 yrs	Direct
P 2nd / Suite 275	914	914	914	\$20.50-\$21.50/fs	30 Days	3-5 yrs	Direct
P MEZZ / Suite ME100	5,082	5,082	5,082	\$20.50-\$21.50/fs	Vacant	3-5 yrs	Direct
E 3rd / Suite 300	17,900	17,900	17,900	\$20.50-\$21.50/fs	Vacant	3-5 yrs	Direct
E 4th / Suite 400	17,900	17,900	17,900	\$20.50-\$21.50/fs	Vacant	3-5 yrs	Direct
P 5th / Suite 500	11,148	11,148	11,148	\$20.50-\$21.50/fs	Vacant	3-5 yrs	Direct

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285 Peachtree Center Ave NE - Marquis Two(cont'd)



Floor	SF Avail	Floor Contig	Bldg Contig	Rent/SF/Yr + Svs	Occupancy	Term	Type
P 5th / Suite 501	6,626	6,626	6,626	\$20.50-\$21.50/fs	Vacant	3-5 yrs	Direct
P 7th / Suite 770	4,036	4,036	4,036	\$20.50-\$21.50/fs	Vacant	3-5 yrs	Direct
P 7th / Suite 760	1,146	1,146	1,146	\$20.50-\$21.50/fs	30 Days	3-5 yrs	Direct
E 8th / Suite 800	16,985	16,985	16,985	\$20.50-\$21.50/fs	Vacant	3-5 yrs	Direct
E 10th / Suite 1000	17,900	17,900	54,001	\$20.50-\$21.50/fs	Vacant	3-5 yrs	Direct
E 11th / Suite 1100	17,900	17,900	54,001	\$20.50-\$21.50/fs	Vacant	3-5 yrs	Direct
P 12th / Suite 1275	4,679	4,679	4,679	\$20.50-\$21.50/fs	Vacant	3-5 yrs	Direct
E 24th / Suite 2400	18,201	18,201	54,001	\$20.50-\$21.50/fs	Vacant	3-5 yrs	Direct

Building Notes

Covered parking starting at \$95 per month. Located near I-285, I-75, I-85, hotel, shopping mall, and regional airport. Emergency power. News stand, hair salon, postal services. After hours HVAC. Near MARTA rail stop and medical facility. On-site security.

225 Peachtree St NE - South Tower



Location: South Tower
 Downtown Atlanta Cluster
 Downtown Atlanta Submarket
 Fulton County
 Atlanta, GA 30303

Building Type: Class A Office
 Status: Built Jan 1968

Stories: 24
 RBA: 307,219 SF
 Typical Floor: 14,562 SF
 Total Avail: 113,512 SF
 % Leased: 69.4%

Developer: -
 Management: America's Capital Partners
 Recorded Owner: America's Capital Partners

For Sale: Not For Sale
 Parcel Number: 0014-0051-0004-049, 14-0051-0004-049
 Parking: Ratio of 2.00/1,000 SF
 Amenities: Banking, Concierge, Conferencing Facility, Dry Cleaner, Fitness Center, Food Service, On Site Management, Restaurant

Floor	SF Avail	Floor Contig	Bldg Contig	Rent/SF/Yr + Svs	Occupancy	Term	Type
P 3rd / Suite 300	8,863	8,863	8,863	\$18.50-\$19.50/fs	30 Days	3-5 yrs	Direct
P 3rd / Suite 302	2,548	2,548	2,548	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
P 5th / Suite 550	2,879	2,879	2,879	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
P 5th / Suite 585	3,180	3,180	3,180	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
P 5th / Suite 565	2,321	2,321	2,321	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
E 8th / Suite 800	14,224	14,224	108,467	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
E 10th / Suite 1000	14,224	14,224	108,467	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
P 12th / Suite 1203	1,534	1,534	1,534	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
P 12th / Suite 1204	505	505	505	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct



Floor	SF Avail	Floor Contig	Bldg Contig	Rent/SF/Yr + Svs	Occupancy	Term	Type
P 14th / Suite 1412	1,274	1,274	1,274	\$18.50-\$19.50/fs	30 Days	3-5 yrs	Direct
P 15th / Suite 1501	5,764	5,764	5,764	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
P 16th / Suite 1610	1,941	1,941	1,941	\$18.50-\$19.50/fs	30 Days	3-5 yrs	Direct
P 17th / Suite 1720	735	735	735	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
E 18th / Suite 1800	14,562	14,562	29,124	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
Contiguous with 80,040sf of International Tower for a total of 109,164sf.							
E 19th / Suite 1900	14,562	14,562	29,124	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
Contiguous with 80,040sf of International Tower space for a total of 109,164sf.							
E 22nd / Suite 2200	14,562	14,562	14,562	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
P 23rd / Suite 2350	2,451	2,451	2,451	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
P 24th / Suite 2400	7,383	7,383	7,383	\$18.50-\$19.50/fs	30 Days	3-5 yrs	Direct

Building Notes

Covered parking starting at \$95 per month. Located near I-75, I-85, hotel, MARTA rail stop, medical facility, and shopping mall. Features: emergency power, news stand, hair salon, postal services, on-site security, and after hours HVAC.

229 Peachtree St NE - International Tower



Location: International Tower
 Downtown Atlanta Cluster
 Downtown Atlanta Submarket
 Fulton County
 Atlanta, GA 30303

Building Type: Class A Office
 Status: Built Jan 1976

Stories: 27
 RBA: 393,442 SF
 Typical Floor: 15,571 SF
 Total Avail: 88,512 SF
 % Leased: 80.9%

Developer: -
 Management: America's Capital Partners
 Recorded Owner: America's Capital Partners

For Sale: Not For Sale
 Parcel Number: 0014-0051-0004-054, 14-0051-0004-054
 Parking: Ratio of 2.00/1,000 SF
 Amenities: Banking, Conferencing Facility, Dry Cleaner, Fitness Center, Food Service, On Site Management, Restaurant

Floor	SF Avail	Floor Contig	Bldg Contig	Rent/SF/Yr + Svs	Occupancy	Term	Type
P 2nd / Suite 200	2,618	2,618	2,618	\$18.50-\$19.50/fs	30 Days	3-5 yrs	Direct
P 2nd / Suite 275	1,453	1,453	1,453	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
P 2nd / Suite 280	2,345	2,345	2,345	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
P 3rd / Suite 350	2,798	2,798	2,798	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
P 4th / Suite 450	6,532	6,532	6,532	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
P 5th / Suite 510	5,562	5,562	5,562	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
P 6th / Suite 675	1,413	1,413	1,413	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
P 6th / Suite 680	1,684	1,684	1,684	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
P 6th / Suite 650	3,836	3,836	3,836	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct

229 Peachtree St NE - International Tower(cont'd)



Floor	SF Avail	Floor Contig	Bldg Contig	Rent/SF/Yr + Svs	Occupancy	Term	Type
P 7th / Suite 750	1,396	1,396	1,396	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
P 9th / Suite 900	3,534	3,534	3,534	\$18.50-\$19.50/fs	30 Days	3-5 yrs	Direct
P 9th / Suite 925	1,929	1,929	1,929	\$18.50-\$19.50/fs	30 Days	3-5 yrs	Direct
P 9th / Suite 935	1,569	1,569	1,569	\$18.50-\$19.50/fs	30 Days	3-5 yrs	Direct
P 9th / Suite 965	1,556	1,556	1,556	\$18.50-\$19.50/fs	30 Days	3-5 yrs	Direct
P 9th / Suite 975	1,984	1,984	1,984	\$18.50-\$19.50/fs	30 Days	3-5 yrs	Direct
P 15th / Suite 1550	1,363	1,363	1,363	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
P 15th / Suite 1502	1,743	1,743	1,743	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
E 17th / Suite 1700	16,008	16,008	72,969	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
Contiguous with 29,124sf of South Tower for a total of 109,164sf.							
E 18th / Suite 1800	16,008	16,008	72,969	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
Contiguous with 29,124sf of South Tower for a total of 109,164sf.							
P 19th / Suite 1900	11,829	11,829	72,969	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct
Contiguous with 29,124sf of South Tower for a total of 109,164sf.							
P 24th / Suite 2475	1,352	1,352	1,352	\$18.50-\$19.50/fs	Vacant	3-5 yrs	Direct

Building Notes

Covered parking starting at \$95 per month. Near I-75 and I-85. Near Hotel, Shopping Mall. Emergency Power. News stand. Hair salon. Postal services. On-site security. Near MARTA rail stop, medical facility. After hours HVAC.



Location: Downtown Atlanta Cluster
 Downtown Atlanta Submarket
 Fulton County
 Atlanta, GA 30303

Building Type: Class C Office
 Status: Built 1950

Stories: 3
 RBA: 63,640 SF
 Typical Floor: 21,213 SF
 Total Avail: 63,640 SF
 % Leased: 0%

Developer: -
 Management: Norfolk Southern Corporation
 Recorded Owner: Norfolk Southern Corporation

For Sale: For Sale individually - Active; also for sale as part of a portfolio of 2 buildings - Active
 Parking: Ratio of 2.50/1,000 SF

Floor	SF Avail	Floor Contig	Bldg Contig	Rent/SF/Yr + Svs	Occupancy	Term	Type
	63,640	63,640	63,640	For Sale Only	120 Days	-	Direct
E 1st	21,213	21,213	63,639	Negotiable	Vacant	Negotiable	Direct
E 2nd	21,213	21,213	63,639	Negotiable	Vacant	Negotiable	Direct
E 3rd	21,213	21,213	63,639	Negotiable	Vacant	Negotiable	Direct

Building Notes

* This building is part of a four building complex that is approximately 80,000-404,000sf. It is available for lease or for sale as a package along with 99, 125, 185, Spring St. SW for \$19,750,000.



* 175 and 185 Spring St. SW can be sold together for \$9,750,000.

* Building works well for technology users due to multi fiber optic providers and access power.

*Owner will be vacating early this summer

EXHIBIT C

Panel Participants

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