

The logo for the Atlanta Development Authority (ADA) features the letters "ADA" in a white, sans-serif font on a dark grey rectangular background. To the right of the text is a small white icon consisting of four dots arranged in a 2x2 grid.

Atlanta Development Authority

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**200 Peachtree, Located in Former Macy's Building, Moves Forward
with \$12 Million in Gap Funding from the Atlanta Development Authority**

ATLANTA – Imagine Downtown, Inc. (IDI), an affiliate entity of the Atlanta Development Authority (ADA), has provided a \$12 million New Markets Tax Credit mezzanine loan to convert the former Macy's department store in downtown Atlanta into 200 Peachtree, a major mixed-use retail and entertainment destination. This \$35 million project is located on Peachtree Street and occupies the first three floors of the historic building.

A significant portion of the project was completed earlier this year and included a redeveloped grand atrium for special events as well as ground-level retail space. Meehan's, a restaurant tenant that opened its doors in March 2010, is outperforming other Meehan's locations in suburban areas such as Vinings and Sandy Springs. Sweet Georgia's Juke Joint, another retail tenant, is expected to open in fall 2010. The demand for special event bookings is outpacing projections, with scheduled events for the 40th anniversary of Leadership Atlanta, the National Black Arts Festival, ULI Atlanta's 16th Annual Awards ceremony, a Microsoft corporate event and more than 20 weddings.

With this new round of financing, the project will include connecting the lobby in the Westin hotel to a new conference and exhibit space, additional retail space, breakout meeting space for the conference center and construction of The Gallery, a 17,000-square-foot exhibition space for corporate events, gallery exhibits and parties. At full buildout, the total project will provide more than 150,000 square feet of redeveloped space in a historic asset and has the potential to create more than 500 construction and permanent jobs.

The U.S. Department of Treasury awarded IDI \$60 million in New Markets Tax Credit allocation authority in 2007 and another \$20 million in 2008. IDI is a strategic partnership between ADA and Central Atlanta Progress to attract new capital investment in Downtown and areas south of Downtown.

"I cannot think of a better use of IDI community tax credits than assisting in the redevelopment of the 200 Peachtree building," says AJ Robinson, president of Central Atlanta Progress. "The new owners of the bottom floors are doing a wonderful job of repositioning the most public pieces of this iconic building into uses that are vibrant and alive. Bravo to all involved! This block of Peachtree Street is alive and well due to this type of project. "

"IDI is pleased to partner with the development team to restore this important historic asset to productive use," says Tyrone Rachal, president of IDI. "This illustrates the importance of strategic public-private partnership to overcoming financing challenges in one of the toughest credit environments in recent memory. It also highlights the relevance and importance of the New Markets Tax Credit program and its impact on distressed communities."

The New Markets Tax Credit program permits investor taxpayers to receive a credit against federal income taxes for making qualified equity investments in designated Community Development Entities.

Substantially all of the qualified equity investment must in turn be used by the CDE to provide investments in low-income communities. This credit enables lending institutions to finance a wider variety of capital projects. The NMTC program was established by Congress in 2000.

The tax credit investor for this project is Fifth Third New Markets Company, an affiliate of Fifth Third Bank, a \$113 billion bank, based in Ohio. Fifth Third Bank, which entered the Atlanta market in 2008, has been quietly opening banking centers and growing all its lines of business across metro Atlanta. "We believe in the renaissance taking place in Atlanta's urban core," says Mike Dunlap, SVP and Middle Market Executive for Fifth Third in Atlanta. "We're proud to offer our support and to see those chandeliers sparkle once again."

TransPecos Banks is another key financial partner in the project. TransPecos Banks, a Texas based community bank which has developed a specialty utilizing New Markets Tax Credits provided a short term loan to facilitate the financing.

"In 2003, downtown Atlanta suffered a serious blow when the last major department store shuttered its doors," says Robert Patterson, president of 200 Peachtree. "For seven long years, this beautiful historic building, built in 1927, was left dark and empty. After a two-year renovation, this building has reopened as 200 Peachtree, bringing new businesses and hundreds of jobs to the heart of Downtown. We appreciate the key roles that IDI, Fifth Third Bank, and TransPecos played in making this renovation possible."

"This is great news for a landmark property," says Atlanta City Councilman Kwanza Hall. "Given the size and location of the Macy's building, we needed fresh eyes and careful stewardship for any redevelopment effort to be a success. We seem to have both in Robert Patterson and his team."

ABOUT ATLANTA DEVELOPMENT AUTHORITY

The Atlanta Development Authority is the official economic development agency for the city of Atlanta. ADA represents intown Atlanta, which has a population of 530,000 and growing. ADA is a research-based economic development organization, focused on residential, business and investment growth in the city. Visit www.atlantada.com.

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