

DESIGN / DEVELOPMENT NARRATIVE

The Midtown Beat is a strategy that draws from Atlanta’s rich cultural and economic history to ensure its continued place as the major media and business hub of the American Southeast. The plan weaves together a strategy for the redevelopment of the Midtown neighborhood that capitalizes on some of the district’s most defining “beats:” **innovation, culture, and health.**

The **innovation beat** leverages momentum in the technology and engineering sectors to ensure that Midtown remains at the center of Atlanta’s economic growth. This “Beat” concentrates along the north-south axis of Spring Street, and culminates at the **Maker Square** and **Innovation Hub**. The Maker Square is a highly-visible community hacker space that opens up onto a public plaza; it is also host to OpportunityHub, the largest minority-owned start-up accelerator in the country. The **Innovation Hub** offers flexible, “soft landing” sites for growing start-ups, where they can also display their products to the public. Hotels and more traditional office spaces (for a growing Healthcare-IT sector) complement these sites. Public Wifi and charging stations are available across the project for employees, residents, and visitors alike.

The **culture beat** recognizes Midtown’s role as the “Heart of the Arts,” with its prominent institutions and historic sites. Along the east-west axis of Ponce de Leon, local and regional icons like the Fox Theater, All Saints’ Church, and the Varsity are reinvigorated through a number of new public spaces. These places are connected through the public realm from **The Porch** to **All Saints’ Plaza** and the new **North Ave Station**. The two blocks adjacent to the Connector between Ponce de Leon and 4th Avenue are raised to create The Porch, a new public and performance space that connects Midtown and Georgia Tech with a new pedestrian bridge. The Olympic Tower within The Porch is repurposed with food/beverage and programmed for interaction displaying events and personal messages.

The **health beat** draws its inspiration from Atlanta’s identity as the “City in a Forest,” creating a new lively network of green spaces and paths throughout the site. The public realm includes a health circuit

for staying active. The redesigned streetscape and bike lanes link the project to both the campus of Georgia Tech as well as the scenic landscape of Piedmont Park. Water features in the **Tech Grove** and **Maker Square** are designed to capture storm-water runoff, while also offering a cool reprieve during the summer. Investments in new transit options – including a re-routed shuttle for Georgia Tech, new bike lanes, and redesigned car circulation complement and strengthen existing public transportation around North Avenue Station.

Specific venues are designed to capitalize on the overlap between the Beats. A food market by day and a music and arts venue by night, **The Culture LAB** is a city-wide entertainment destination that provides kitchen and lab space for food research, studio space for musicians, and live-work apartments on the upper floors for artists and entrepreneurs alike. **The Block @ The Varsity** introduces a new programmatic element to the neighborhood icon – a covered terrace and roof deck is placed adjacent to the existing building, providing a performance, entertainment and dining space for outdoor activities. **The North Avenue Station** is redeveloped utilizing the existing site grade change to provide a more open and accessible entry with retail and apartments. And, the **Bank of America** property is redeveloped with a **Health Plaza** and a pavilion with specialty retail and a gym that with the full build out of the new Midtown Beat district will help attract new tenants to the building.

Diverse **housing programs** reinforce the district’s innovative identity. New housing for science and technology students shares a building with corporate innovation labs encouraging partnerships between the university and local businesses. Twenty percent of all rentals and for-sale apartments are affordable for low-income families, ensuring Midtown is accessible to a wide range of Atlantans.

The **Midtown Beat** synthesizes the district’s existing fabric into a stronger whole, cementing Atlanta’s role as a major regional player in innovation, culture and health.

FINANCING NARRATIVE

Phasing:

The Midtown Beat is strategically divided into three different phases that include a powerful and balanced mix of uses: Phase I: “Connect the Beat” is strongly focused on infrastructure and public space renovation, as well as a mix of innovation offices, hotels, residential and retail. This phase includes the renovation of the North Avenue MARTA Station, widening the North Avenue Bridge and development of The Porch. Phase II: “Boost the Beat” will bring new retail spaces for restaurants and boutique stores to enrich a live-work-play environment. It will also include the Maker Square public park and additional residential condominiums with 20% affordable. Phase III: “Sustain the Beat” will culminate the development with a dense mixed use block of apartments with affordable units, additional retail space, and a large “Build to Suit” office development to attract larger corporations interested in new headquarters at a thriving new location.

The Players:

Midtown South Development Partnership (MSDP) is comprised of the land owners of blocks A, B, C, D, E-620, G, H and I, of which blocks E-620, G, H and I are added to the original partnership to enhance the potential of the district. Land is proposed to be sold at the current value of \$110/sqft over a ten year period with payments every two years. Each payment is escalated at a 5% yearly rate, providing landowners with a safe deal not subject to the volatility of the development.

MARTA and Parcel F (Bank of America Tower): A ground lease of 99 and 10 years respectively is proposed. The current yearly rent was determined based on the same for-sale price of \$110/sqft, times the return of 5% for the MARTA parcel and 10% for the Parcel F property owner. The leases will start at \$408,463 and \$731,643 respectively and will also be escalated at a 5% yearly rate. Provided that Parcel F will be redeveloped in Phase II to include new retail and landscape, the Proprietor will only pay for 75% of the total parcel redevelopment costs.

Developer: A joint venture between the developer and a capital investor will be structured to guide The Midtown Beat. Ten percent of the equity will be provided by the developer and 90% by the capital investor. After a 10% cumulative preferred return, a promote of 20/80 in favor of the developer is proposed.

Public Sector: Although The Midtown Beat is not heavily depending on grants or public sources, the proposal is aligned to foster collaboration for common interests. Lease Purchase Bonds are the back bone of the public sources with approximately \$95 million. Additional sources will come from NMTC and the DOT Tiger grant. Public resources will be also be utilized during Phase I for the public realm renovation costs.

Financial Institutions: A construction loan is quoted at 100 basis points above prime, or 4.6%, and the long term loan at 4%. Draws are phased accordingly to the development schedule. Loan to value is calculated to never be above 70%.

