
Ackerman & Co.

The Cumberland Arts District Site

4.46 ± acres adjacent to the Cobb Energy Performing Arts Centre
Atlanta, Georgia 30339

OFFERING MEMORANDUM



CONFIDENTIAL INFORMATION

INFORMATION NOT WARRANTED

The material contained in this Offering Memorandum is confidential, furnished solely for the purpose of considering the acquisition of 4.46 ± acres located at on Cobb Galleria Parkway in Cobb County, Georgia ("Property"), and is not to be used for any other purpose or made available to any other person without the express written consent of Ackerman & Co. ("Broker") and Cobb Marietta Coliseum and Exhibit Authority ("Owner").

The Offering Memorandum contains brief, selected information pertaining to the business and affairs of the Property and has been prepared by Broker. It does not, however, purport to be all-inclusive or to contain all of the information that a prospective purchaser may desire. Broker makes no representation or warranty, express or implied, as to the accuracy or completeness of the Offering Memorandum or any of its contents, and no legal liability is assumed to be implied with respect thereto.

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The information provided in the Offering Memorandum has been gathered from sources that are deemed reliable, but the Broker does not warrant or represent that the information is true or correct. Prospective offerors are advised to verify information independently. The Offering Memorandum is not to be construed as an offer or as any part of a contract to sell the property.

The Owner reserves the right to accept or reject any offer for any reason and is under no obligation to enter into any agreements to sell or lease the Property.



Signalized entrance into the Cumberland Arts District Site from Cobb Galleria Parkway



View of streetscape and Galleria from Cumberland Arts District



Cobb Energy Performing Arts Centre

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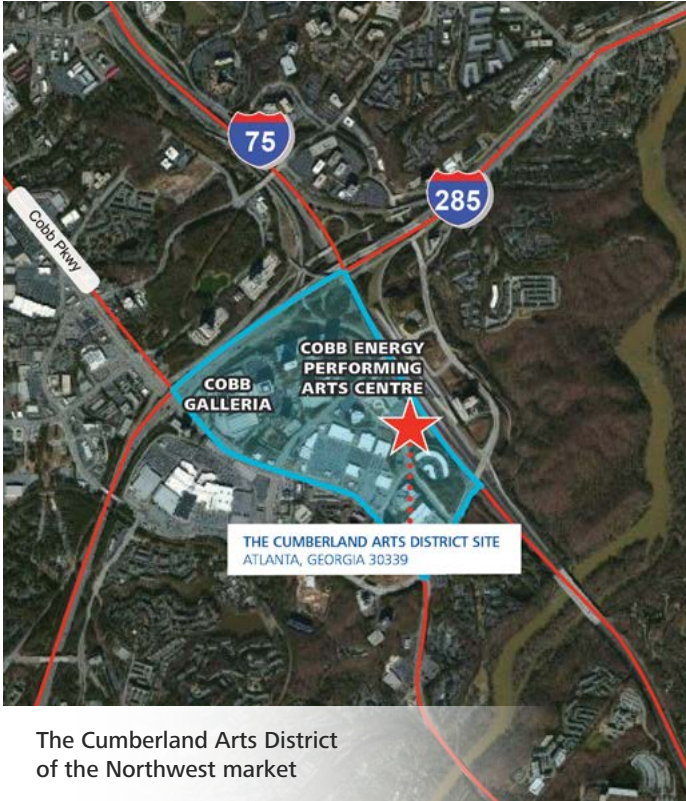
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01

EXECUTIVE SUMMARY

- Investment Overview
- Proposal Process

Ackerman & Co. is pleased to exclusively present 4.46 ± acres on Cobb Galleria Parkway in Cobb County, Georgia for sale or lease. Due to its location adjacent to the Cobb Energy Performing Arts Centre and nearby cultural amenities, the property referred to as the Cumberland Arts District Site.



From a macro perspective, the Cumberland Arts District Site is located in the Northwest market of Atlanta. With over 48 million square feet of office space, the Northwest market is the largest office market in Atlanta and represents almost 16% of Atlanta’s total office space. With 17.5 million square feet of Class A office space, the Northwest Market is the second largest Class A office market and represents almost 15% of Atlanta’s total Class A office market.

INVESTMENT OVERVIEW (CONT'D)

Most of Atlanta's major markets were developed around the limited access vehicular transportation systems (interstates). Centered on the intersection of Interstate 285 and Interstate 75, the Northwest market is a classic example of this development pattern. One of the negatives of this development pattern is that access from quadrant to quadrant typically requires crossing the interstates at traffic congested interchanges. While many of the markets have tried to address this issue with "loops" or "connectors", only the Northwest market has completed a vehicular transportation system that has quadrant to quadrant access without having to negotiate any interstate interchanges.

Of the four quadrants formed by the intersection of Interstates 75 and 285, each has its own characteristics.



The Cumberland Arts District
Atlanta, Georgia

- The southeast quadrant has a limited amount of land area as it is bordered by the Chattahoochee National Forest. Currently, this quadrant contains two office buildings and a multi family project that is under construction.
- The Northeast quadrant was primarily developed in the 1980's with a series of class B and C buildings. A limited number of class A buildings were constructed during the 1990s including Wildwood Office Park that was anchored by IBM. This quadrant's land area is also limited by the Chattahoochee River and associated Chattahoochee National Forest.
- The Northwest quadrant was originally developed along the US Highway 41 corridor and railroad line that somewhat parallel US Highway 41. Accordingly this quadrant contains most of the industrial product in the Northwest market and has limited class A office development. This quadrant will be home to the new Atlanta Braves stadium and associated entertainment and retail venues.
- The Southeast quadrant where the Cumberland Arts District Site is located is clearly the most desirable quadrant in the Northwest market. Bordered by Buckhead and Vinings, this quadrant contains most of the market's class A office space, the highest quality shopping and entertainment along with virtually all of the cultural amenities.

SOUTHWEST QUADRANT FEATURES



Cobb Galleria Centre



Cobb Energy Performing Arts Centre



Shops within Akers Mill Square



Cumberland office building



Cumberland Centre office building



Riverwood

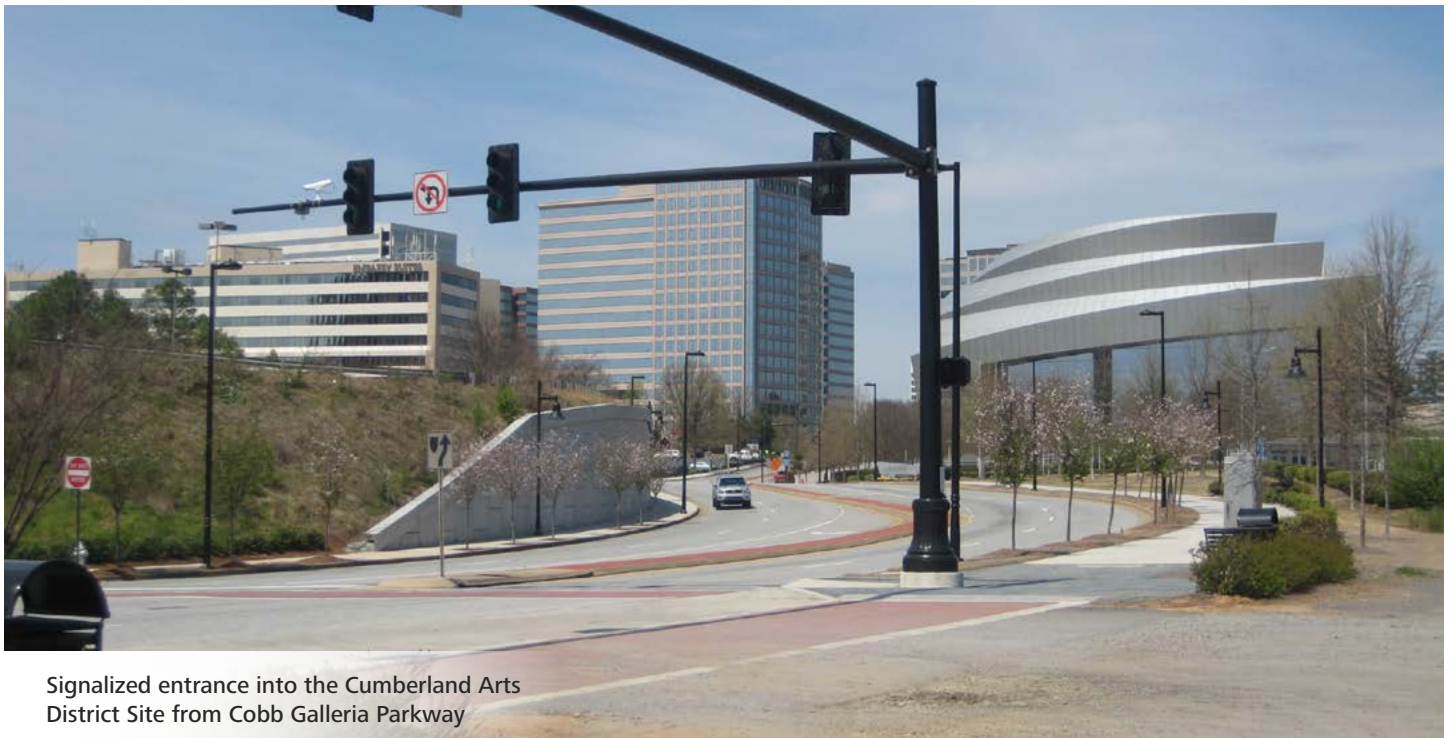
Located in the heart of the Northwest Market, the Cumberland Arts District is ideally suited for a multitude of uses including multifamily, hotel and office. The site offers the following benefits:

- Excellent accessibility to Interstates 75 and 285 and quadrant to quadrant access
- Significant frontage on Cobb Galleria Parkway with traffic signal and full intersection installed
- Excellent site access with traffic signal and all DOT requirements in place
- Pedestrian friendly environment with 12 foot sidewalks and seating areas on both sides of Cobb Galleria Parkway in the Cumberland Arts District Site
- Excellent views of Buckhead’s skyline
- Significant retail, commercial services, restaurants and cultural amenities are located within walking distance
- Excellent visibility to the 134,162 cars per day on Interstate 75
- Within walking distance of the new Atlanta Braves Stadium and associated entertainment and retail venues

PROPOSAL PROCESS

While the Owner desires to maximize the value of the Cumberland Arts District Site, they will take into consideration the impact of the proposed use as it relates to the adjacent Cobb Energy Performing Arts Centre and other nearby cultural amenities. The Owner’s goal is to select a purchaser or lessee for the Cumberland Arts District Site by August 1, 2014. To meet that timeline, interested parties should present a proposal to Ackerman & Co. by June 15, 2014. Proposals should include the following:

- Letter of Intent stating offer and terms
- Summary of proposed use or uses and conceptual site plan
- Purchaser’s Statement of Qualification and Experience
- Acquisition Timeline



Signalized entrance into the Cumberland Arts District Site from Cobb Galleria Parkway

02

PROPERTY OVERVIEW

LOCATION AND DEMOGRAPHICS

The Cumberland Arts District Site is located on the east side of Cobb Galleria Parkway between the Cobb Energy Performing Arts Centre and Galleria 75 Office Park in Land Lots 1013 and 1014 of the 17th District, 2nd Section of Cobb County, Atlanta, Georgia.

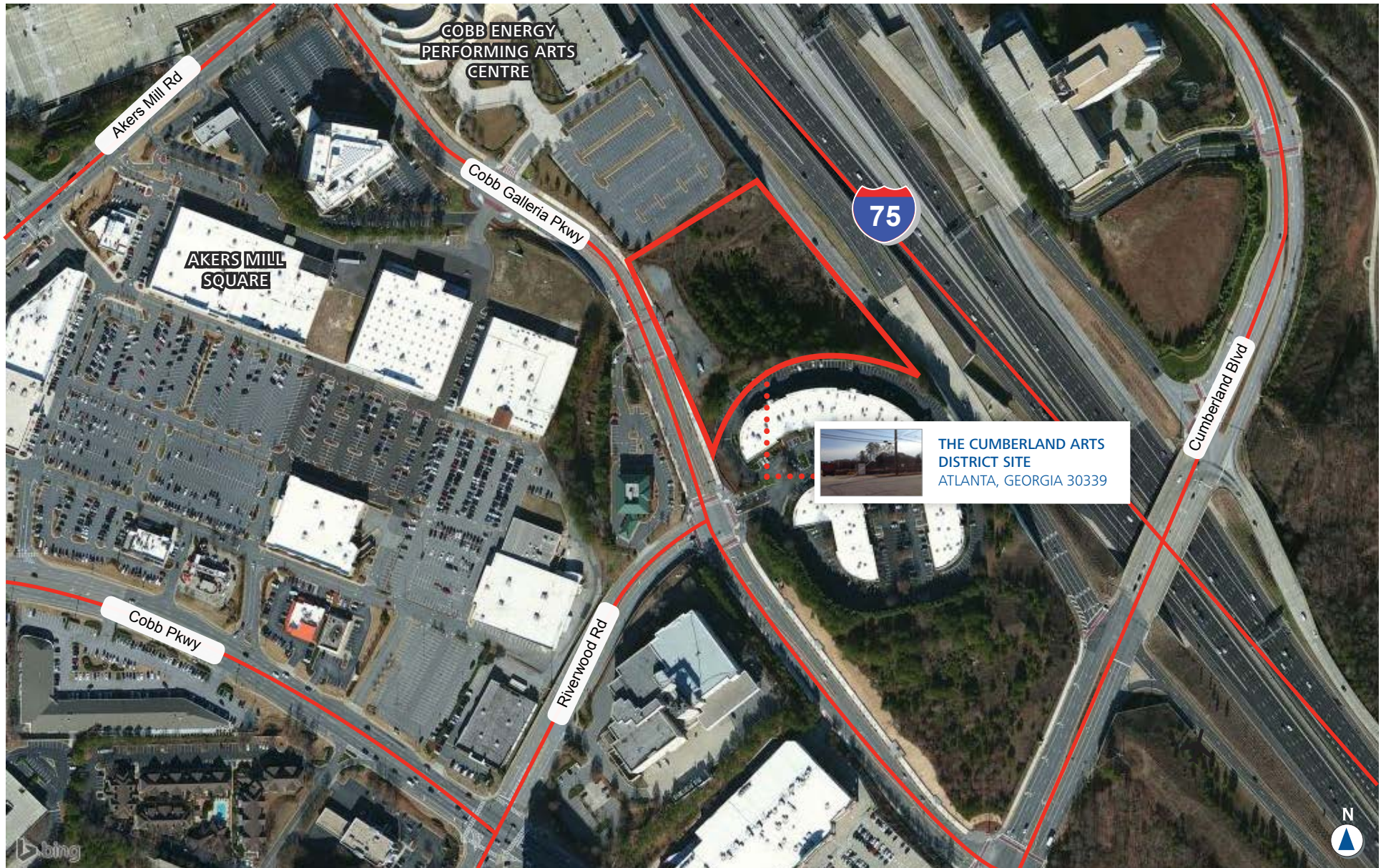


Interstate 75 and Cumberland Boulevard adjacent to Cumberland Arts Centre District

PROPERTY AERIAL - WITH SURROUNDING AMENITIES



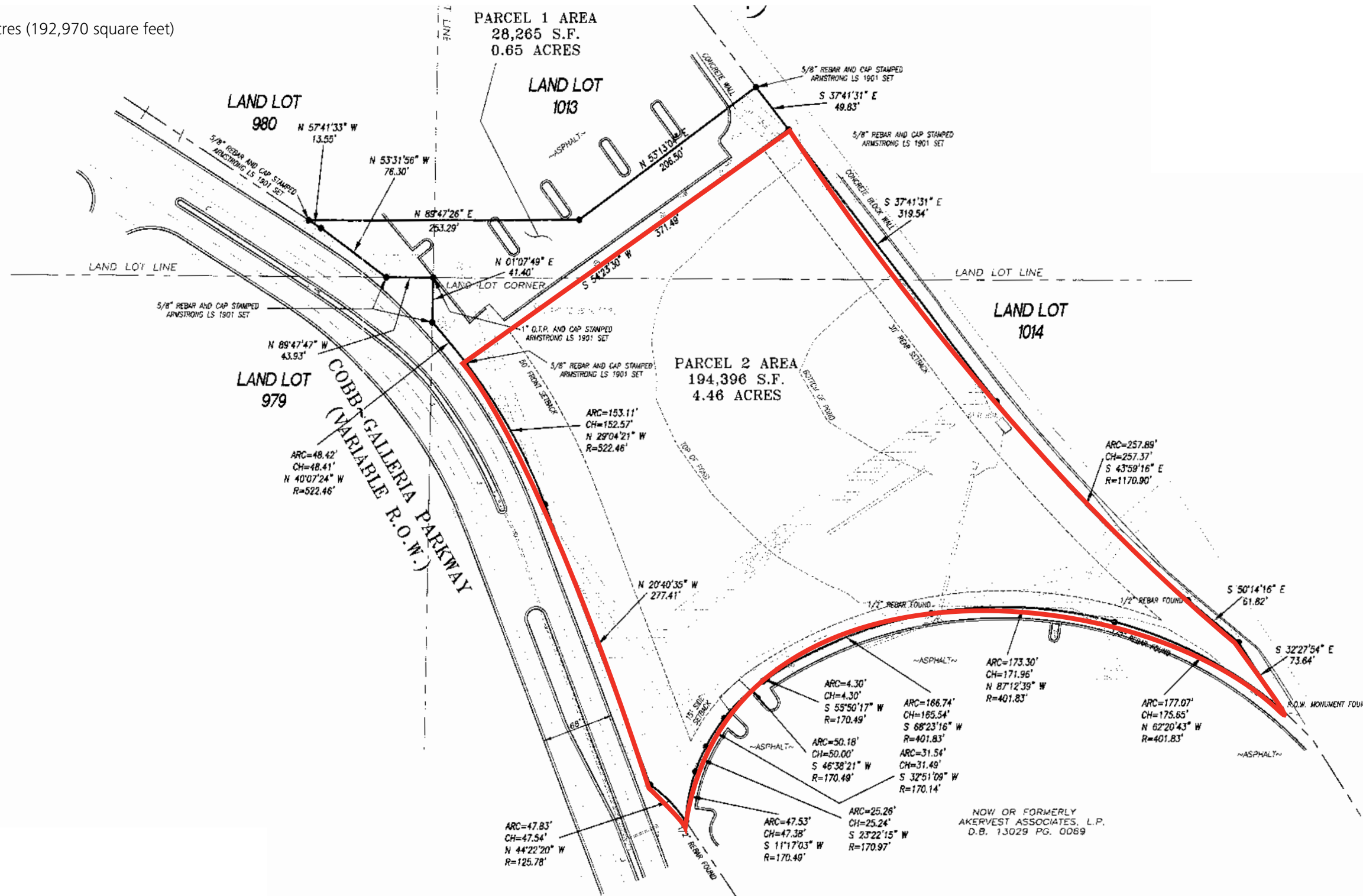
PROPERTY AERIAL - CLOSE VIEW



SURVEY

SIZE

Land Area: 4.46 ± acres (192,970 square feet)



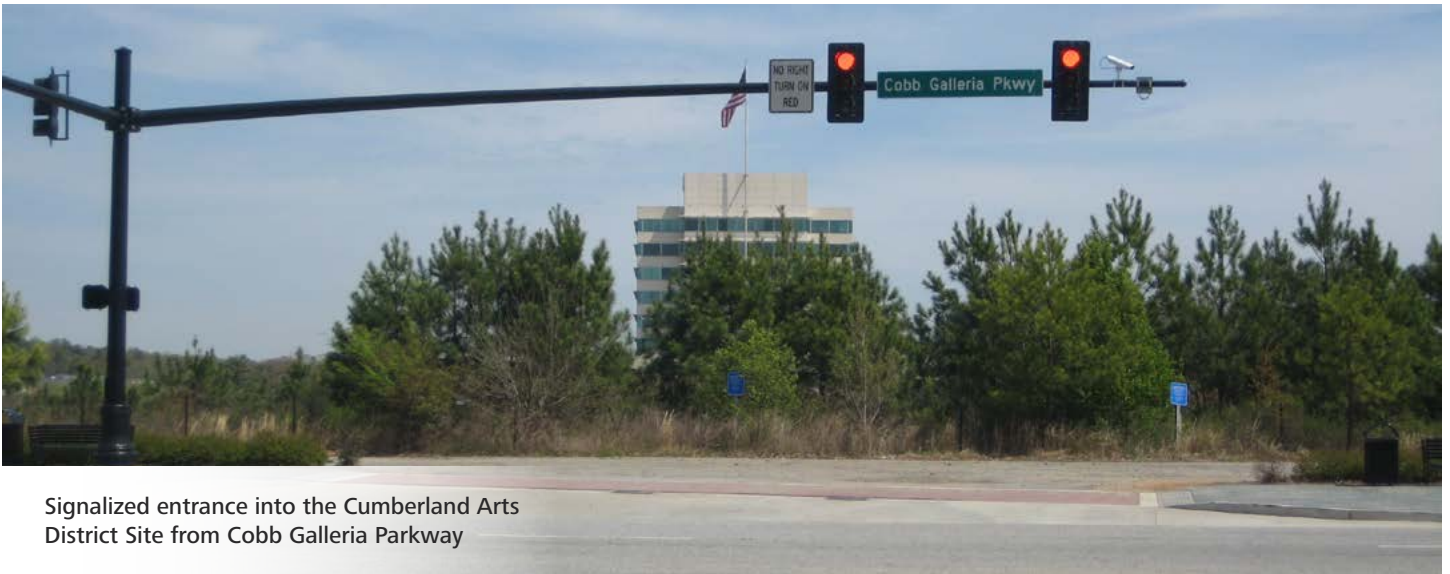
PROPERTY OVERVIEW

FRONTAGE

429.98 ± feet on Cobb Galleria Parkway
712.37 + feet on Interstate 75

ACCESSIBILITY

The Cumberland Arts District Site enjoys the following access:



Signalized entrance into the Cumberland Arts District Site from Cobb Galleria Parkway

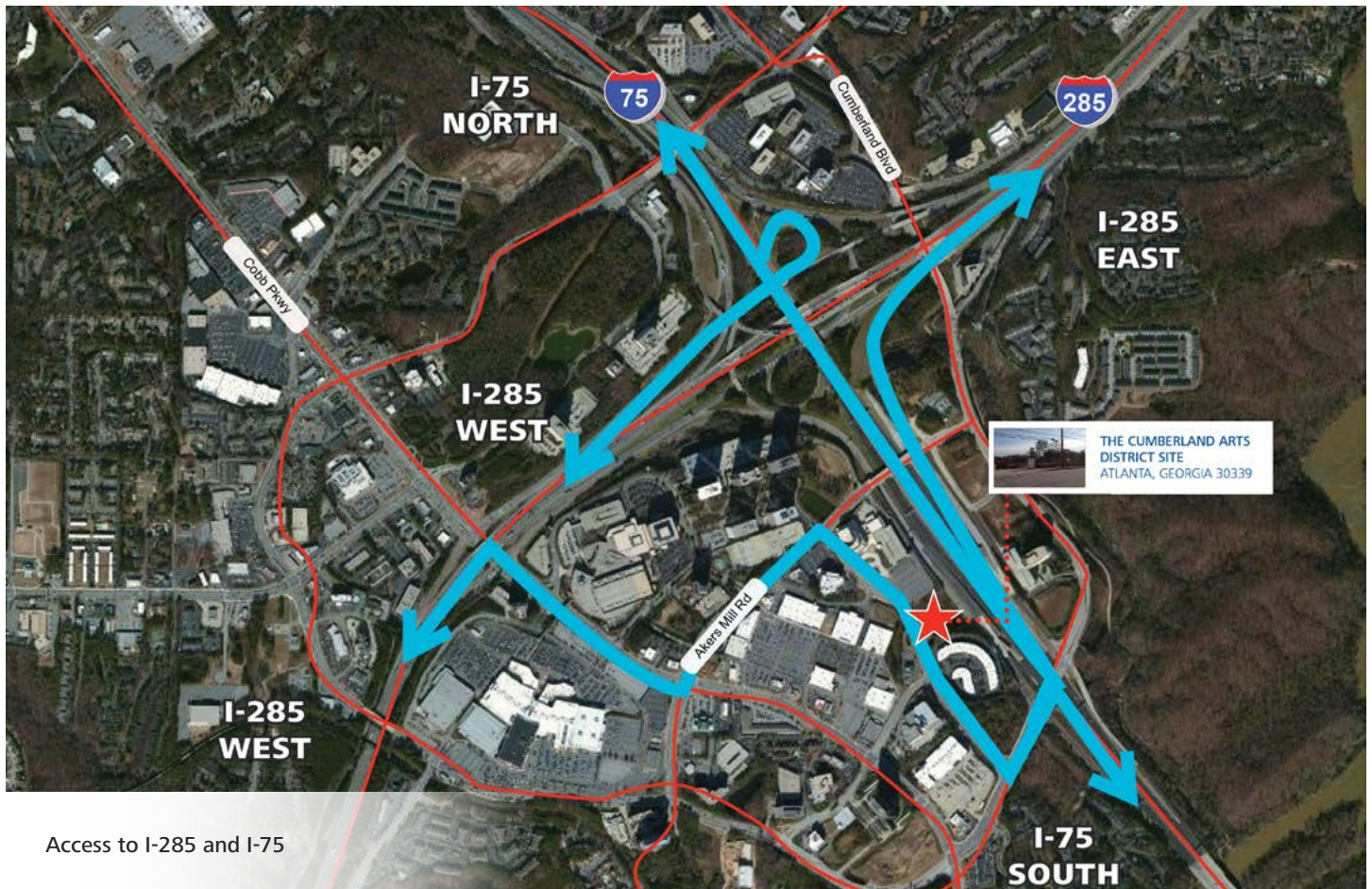
Full ingress and egress on Cobb Galleria Parkway via a fully signalized intersection. Access to the Interstate system via the Cumberland Boulevard/Interstate 75 interchange.

Access to other quadrants and other markets via major surface arteries like Cobb Parkway, Akers Mill and Cumberland Boulevard.



Streetscape in front of site

PROPERTY OVERVIEW (CONT'D)



UTILITIES

The Cumberland Arts District is currently served by natural gas, electricity, sanitary sewer and water. Per an agreement with Cobb EMC, any and all future facilities located on the Cumberland Arts District Site, shall be required to utilize electrical services provided by Cobb Electric Membership Corporation ("Cobb EMC") as allowed within the parameters of the Georgia Territorial Electric Service Act (O.C.G.A. Section 346-3-1 et.seq.)

REAL ESTATE TAXES

As a public entity, the Owner is not required to pay real estate taxes on the Site.

PROPERTY OVERVIEW (CONT'D)

TOPOGRAPHY

The first 50 to 100 feet of the Site fronting on Cobb Galleria Parkway level at the same grade as the street. From that point to the Interstate 75 right of way, the property falls significantly.



View of Cumberland Arts District Site from South

ZONING

The Cumberland Arts District Site is currently zoned regional retail commercial (RRC) in Cobb County. The RRC district is established to provide locations for intense retail commercial, office or mixed uses which exceed 500,000 net square feet and which are designed and oriented to serve a regional market making up a community. Projects developed within the RRC district should be done so as compact unified centers. Ideally, projects developed within the RRC district should occupy an area adjacent to or having good access to interstate highways, which is delineated within a regional activity center as defined and shown on the Cobb County Comprehensive Plan.

The Owner will sell or lease the Site subject to reasonable approvals that will allow for the proposed improvements.

SUBSURFACE CONDITIONS

Environmental

A Phase I Environment Report was prepared in 1995 and updated in 2002, that indicated that there was no need for a Phase II report. Both reports are available for review.

Geotechnical

Geotechnical studies were performed in 2002 and 2003. All three are available for review.



TRAFFIC COUNTS

134,162 VEHICLES PER DAY ON I-75*

Source: 2011 MPSI Systems Inc. d.b.a. DataMetrix®

* Traffic counts on Cobb Galleria Parkway not available.

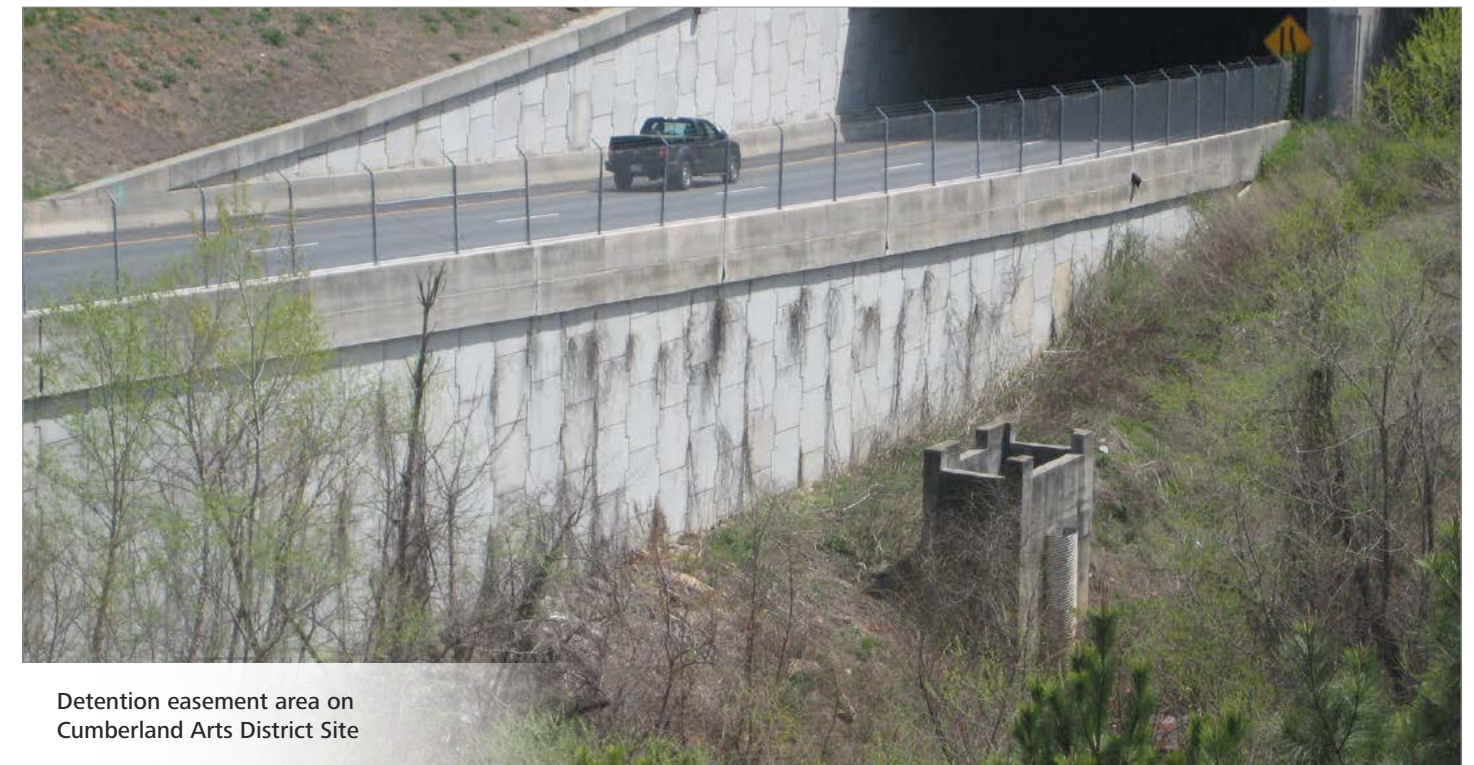
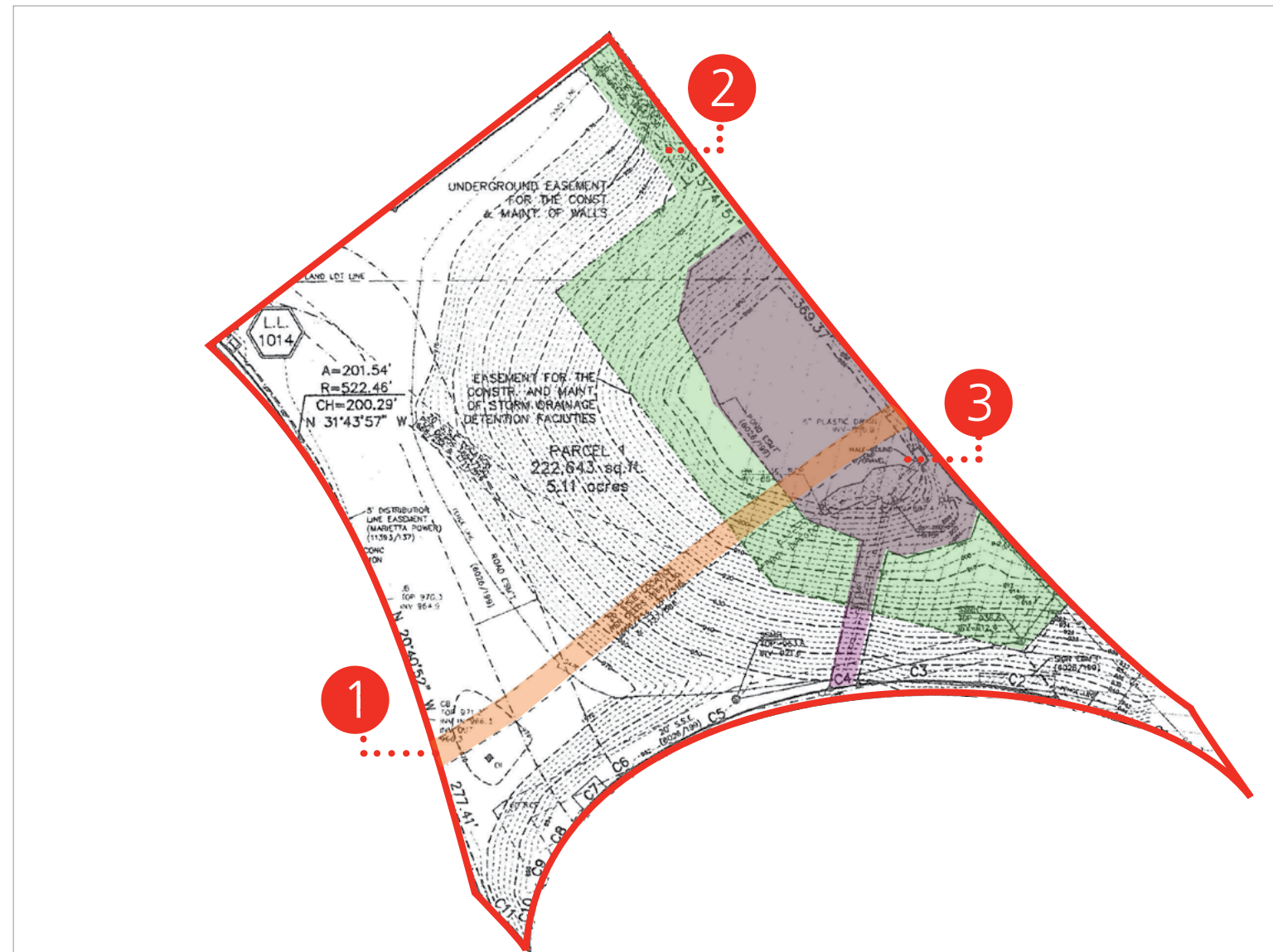
PROPERTY OVERVIEW (CONT'D)

ENCUMBRANCES

The Cumberland Arts District Site is currently encumbered by a number of easements resulting from construction of the interstate system and Cobb Galleria Parkway and development of surrounding properties including the Cobb Energy Performing Arts Centre and Akers Mill Shopping Center and Galleria 75 Office Park. While most of these easements have no impact on the ability to develop the Site, there are three easements that do impact certain aspects of development and are summarized as follows.

1. Sanitary Sewer Easement in favor of Cobb County and the owner of Akers Mill Shopping center that bisects the property in an east/west direction. According to our most recent survey, the Sanitary Sewer Easement exists on the Site, but no sewer line is installed in the easement. The sanitary sewer line serving Akers Mill Square runs along the southern boundary of the site in the same sewer line that serves the Cobb Energy Performing Arts Centre. The Owners will work to get this easement released.
2. Permanent Easement for the Construction and Maintenance of Storm Drainage Detention Facility in favor of several parties.
3. Drainage Easement and Other Agreements in favor of A. P. Colorado, Inc.

While the Drainage Easement and Permanent Easement for the Construction and Maintenance of Storm Drainage Detention Facility do not restrict building over these easement areas, the grantee will have to maintain access to the easement area and any development must not affect the integrity of the detention facility in the Drainage Easement. If necessary, the Owner would work with the grantees to amend these easements to allow for reasonable development over a portion of the easement areas.



Detention easement area on Cumberland Arts District Site

DEMOGRAPHICS	1 MILE	3 MILES	5 MILES
2013 Population	9,580	71,454	193,663
2013 Estimated Median Age	31.7	33.5	34.8
2013 Households	5,438	36,214	87,250
2013 Average Household Size	1.76	1.97	2.21
2013 Average Household Income	\$63,388	\$82,327	\$93,294
2013 Median Household Income	\$51,086	\$51,181	\$55,678
2013 Housing Units	5,942	41,074	98,719
2013 Median Housing Value	\$176,944	\$237,398	\$265,707

03

MARKET OVERVIEW

While the Executive Summary provided information on the Northwest market from a macro perspective, more specific data regarding the various uses in the immediate area surrounding the Cumberland Arts District Site is critical in evaluating the use or uses on the site and the financial aspects of each use. Accordingly, this section provided more detailed information on the office, hotel and multifamily segments. The overall Northwest market includes a broad geographical area that encompasses the entire Interstate 75 corridor in Cobb County. The Northwest market is further broken down into three micro markets: East Cobb, Kennesaw/Town Center and Cumberland/Galleria. The Cumberland Arts District Site is located in the Cumberland/Galleria.

OFFICE MARKET

From an office perspective, the Cumberland Arts District Site is clearly an ideal location for a Class A office building. Accordingly, this Market Overview only focuses on Class A office space. As of the end of the first quarter of 2014, the Cumberland/Galleria Office market consisted of 60 buildings containing 16.43 million square feet. With 2.07 million square feet vacant, the overall vacancy rate is 13.2% and the effective rental rate is \$22.08. With absorption of 210,339 square feet in 2013 and a limited number of large contiguous spaces, the Cumberland Arts District Site is an ideal for a user who desires exposure and signage on Interstate 75 and could accommodate a building ranging from 100,000 to 400,000 square feet based on an overall master plan.

MULTIFAMILY MARKET

The multifamily market is clearly the most active segment of virtually every market in Atlanta. Within the Cumberland/Galleria market, we have seen increasing rental rates resulting in increasing land values for multifamily development. A summary of the most recent multifamily activity is as follows:

Walton Riverwood

This 315 unit project is located within the Riverwood Development on Cobb Parkway at Cumberland Boulevard. The 315 units are constructed of wood frame adjacent to a precast parking deck. The project is currently 62% leased with rental rates of \$1.45 per square foot per month. The project is located on 3.75 acres that were purchased in February of 2012 for a price of \$5,700,000 (\$1,520,000 per acre, \$18,092 per unit)



Walton Riverwood

Overton Rise

Newport Development is currently constructing a 294 unit multifamily project at the corner of Akers Mill Road and Cumberland Boulevard within the 22 acres Overton Park master planned mixed unit development. The units are constructed of wood frame and wrap a precast parking deck. The project sits on 5.7 acres acquired in September of 2012 for a price of \$5.75 million (\$1,008,771 per acre, \$19,558 per unit). Approximately .8 acres is used as a conservation easement.



Overton Rise



GP - RV Land I, LLC (Crescent/Williams)

This 6.66 acre site is located in the northwest intersection on Interstate 75 and Cumberland Parkway. It was acquired by Greenstone Properties in November of 2013 for a price of \$6 million or \$922,214 per acre. While well located, the property sits well above grade level and requires significant cost to remove excess dirt. Originally planned for an office development, it is reported that the owner is considering development of multifamily on the property.

TCR

This project was planned to contain 282 units on 2.84 usable acres. The total site is 5.8 acres, but 3.019 is in the Chattahoochee River corridor and cannot be developed. The project will originally planned to contain a precast parking deck and the units would be constructed with epicore and metal studs. We understand that the plan is being revised so that the units can be built out of wood frame (Type 3) and there will be less units. The property is reportedly under contract for \$6.67 million (\$2,361,898 per usable acre or \$23,486 per unit based on 284 units).

HOTEL MARKET

With the exception of certain locations, the trend in hotel development in Atlanta over the last twenty years has been away from large full service hotels and toward smaller limited service and extended stay products with 100 to 130 rooms. While there is talk of multiple hotels adjacent to the new Braves stadium, the hotel market is driven by the business traveler and convention business.

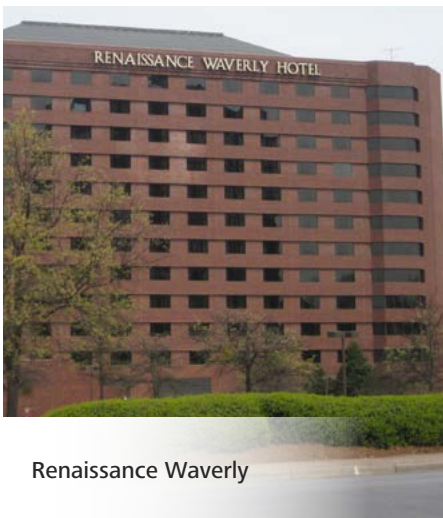
The only hotel built within the Cumberland/Galleria market within the past nine years is the recently completed Hyatt House located at the northeast intersection of Interstate 75 and Cumberland Boulevard. Hyatt House is Hyatt's extended stay product. This 3.37 acres property was acquired by Nobel Investments from a distressed seller in April of 2012 for a price of

\$1.1 million or \$326,409 per acre. The Hyatt House contains 149 rooms and offers excellent access and visibility, it is not located to take advantage of the office and convention demand generators nor does it have pedestrian access to any support amenities like restaurants.

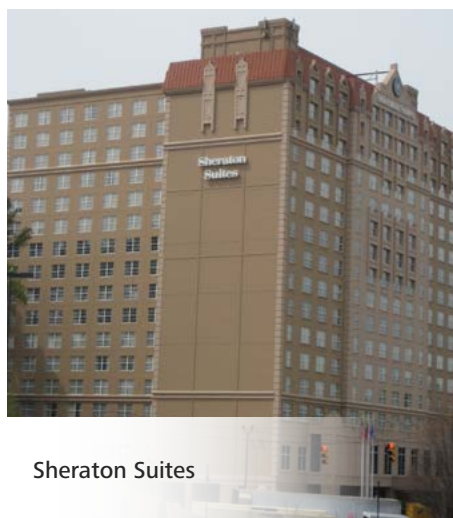


Hyatt House

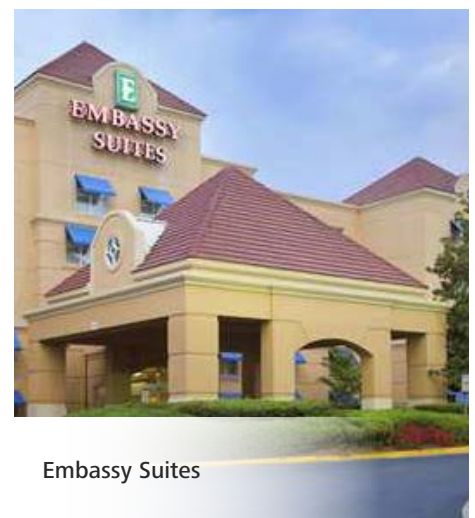
Most of the full service hotels in the Northwest market are located in the Southwest quadrant and were constructed 15 to 30 years ago. Even though the Renaissance Waverly, Sheraton Suites and Embassy Suites have all been renovated, the market can still support additional hotel rooms.



Renaissance Waverly

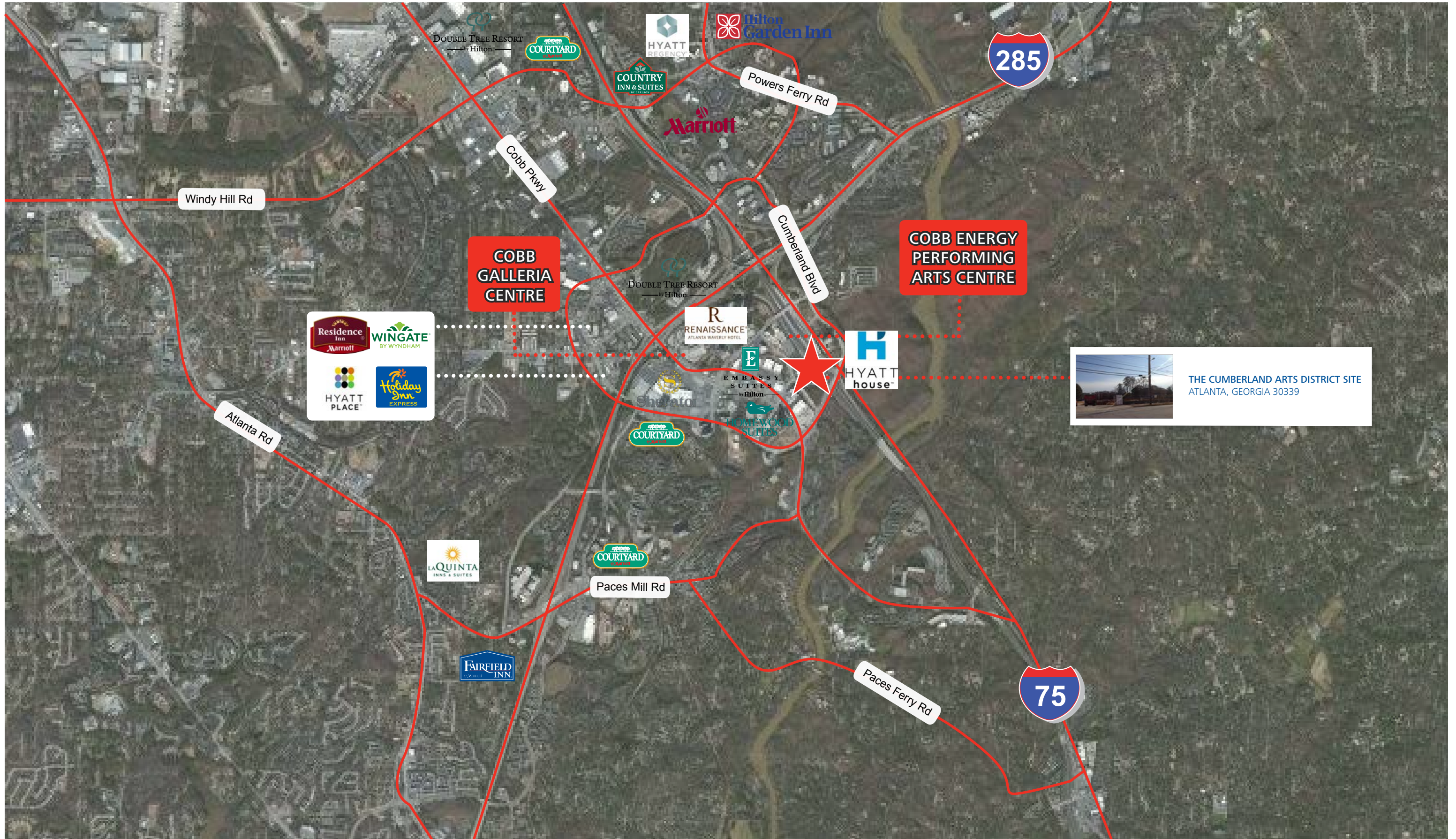


Sheraton Suites



Embassy Suites

AERIAL - SURROUNDING HOTELS



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