

**DEVELOPMENT AUTHORITY OF FULTON COUNTY  
REGULAR MEETING HELD ON  
FRIDAY, OCTOBER 19, 2018 AT 10:00 A.M.  
IN THE SUITE 2052 (PEACHTREE LEVEL) CONFERENCE ROOM  
FULTON COUNTY GOVERNMENT CENTER BUILDING**

**MINUTES**

Present were the following Members of the Authority:

Mr. Robert J. Shaw – Chairman  
Mr. Steve Broadbent – Vice Chairman  
Dr. Samuel D. Jolley, Jr. – Secretary  
Mr. Walter Metze – Treasurer  
Mr. Sam Bacote – Board Member  
Ms. Sarah Cash – Board Member

Also present were Mr. Al Nash, CEO/Executive Director, Ms. Sandra Z. Zayac, Ms. Shelby Uribe, and Ms. Lauren Woodyard, attorneys for the Authority, Ms. Doris Coleman, Ms. Sabrina Kirkland, and Ms. Marva Bryan, staff of the Authority were also present.

Chairman Shaw called the meeting to order and Dr. Jolley gave the invocation.

**RECOGNITION OF VISITORS:** Also present were Commissioner Morris, Ms. Jenn Thomas of Commissioner Morris' office, Commissioner Pitts, Ms. Harriet Thomas of Commissioner Pitts' office, Ms. Jenee Harrison of Commissioner Pitts' office, Mr. Michael O'Connor of Commissioner Hausmann's office, Ms. Erica Long of Atlanta Public Schools, Mr. Charles Huddleston of Nelson Mullins Riley & Scarborough LLP, and Mr. Lee Tabb of Tabb & Tabb, LLC.

**ITEMS FOR APPROVAL:**

**Presentation of the DAFC 2017 Audit:** Dr. Jolley informed the Authority that Mr. Lee Tabb of Tabb & Tabb, LLC appeared before the Executive Committee to review the 2017 financial audit of the Authority and that the audit was clean. Upon a motion made by the Executive Committee, the Authority unanimously accepted the 2017 audit as presented.

**EXECUTIVE SESSION:**

A motion to enter into Executive Session for legal discussion was made by Mr. Broadbent, seconded by Dr. Jolley, and unanimously approved by the Authority. An Open Meetings Affidavit is attached hereto as Exhibit A.

The Board entered into Executive Session at approximately 10:05 a.m.

A motion to exit Executive Session was made by Mr. Broadbent, seconded by Dr. Jolley, and unanimously approved by the Authority.

**COMMENT:** Mr. Huddleston provided comments on behalf of himself, Ms. Long, and Dr. Meria Carstarphen, Superintendent of Atlanta Public Schools ("APS"), regarding Dr. Carstarphen's

opposition to all projects being facilitated by the Authority that are located within Tax Allocation Districts (“TADs”) and Dr. Carstarphen’s concerns of beneficial tax treatment for development. Mr. Huddleston described that the length of some of these TADs is 30 years. Chairman Shaw expressed his appreciation for Mr. Huddleston’s thoughts and his hope that APS can work with the Authority. Mr. Nash clarified that while some TADs may run for 30 years, incentives provided by the Authority have a very conservative ten-year period with a net 25% incentive. Mr. Nash further clarified that the projects being facilitated by the Authority do not create any additional debt on the TADs and do not extend the TADs, the companies and/or developers do not benefit from the TADs, and these projects actually create new tax dollars for APS.

#### OLD BUSINESS:

Final Bond Resolution for 8 West Apartments, L.L.C. (“8 West Apartments”) (Induced as Trammell Crow Residential): Mr. Jim Woodward of Gray Pannell & Woodward LLP and Mr. Justin Adams and Mr. Leonard Wood of Trammell Crow Residential appeared in connection with the request for a final bond resolution for the issuance of \$70,000,000 in revenue bonds to finance the development of a residential and retail facility with an approximately 288,270 square foot, five or six story residential building with approximately 270 to 285 units, approximately 2,000 square feet of ground floor retail, a pool, and a parking garage at the intersection of 3<sup>rd</sup> Street NW and 8<sup>th</sup> Street NW. Mr. Woodward informed the Authority that he and the project developers had met with the Beltline leadership, they were very enthusiastic about the project, and the project has their full support. Mr. Woodward further informed the Authority that the Beltline is particularly excited about the affordable housing component of the project, which would comply with the City of Atlanta Housing Ordinance with 15% units at 80% AMI. Mr. Woodward and Mr. Adams discussed several community improvements that the project would provide, including realigning Watkins Street and 3<sup>rd</sup> Street to help with traffic flow, improving an unpaved parking lot to be used as a road, creating new sidewalks and streetscapes, burying powerlines, providing a pedestrian path to connect 3<sup>rd</sup> Street and Dillon Street, and remediating existing environmental contamination. Mr. Adams further discussed that 8 West Apartments will be working with 8West Holdings (defined below), a sister project, to create an open plaza along Howell Mill Road to be used for fine arts. Upon questions from the Authority, Mr. Adams explained that the total value of the public improvements would cost approximately \$1,000,000. Upon further questions from the Authority, Mr. Adams explained that the project would be replacing a car lot, an abandoned single story brick warehouse, an abandoned small residential house, and a small single story office building that is being used by a dialysis clinic and had already made plans to relocate. Upon further questions from the Authority, Mr. Adams explained that the project would not have amenities specifically tailored to children. Mr. Wood added that since the residential portion of the project would include studios, one-bedroom, and two-bedroom options, their experience has been that these apartments would not attract families with school-aged children and there would not be a need for amenities for school-aged children. Upon further questions from the Authority, Mr. Adams explained that the project would be close to public transportation, which would add further connectivity to the City of Atlanta. Upon a motion made by Mr. Broadbent, which was seconded by Mr. Metze, the Authority unanimously approved the final bond resolution for 8 West Apartments.

Final Bond Resolution for BigMet Project Owner, LLC (“BigMet”): Mr. Harrison Sullivan of Seyfarth Shaw LLP appeared in connection with the request for a final bond resolution for the issuance of \$90,000,000 in revenue bonds to finance the redevelopment of an approximately 1,000,000 square foot existing warehouse into flex/office, residences, and retail space in historic

West End Atlanta. Mr. Nash provided background on the project location, including that the original property was built in the early 1900s by Asa Candler, was used for cotton storage during the Great Depression, and was used as an army depot during World War II. Mr. Nash explained that the property currently has approximately 25 to 30 studio apartments, no additional residences are planned, and the project would comply with the City of Atlanta Housing Ordinance. Mr. Nash further explained that the project would consist of breaking up the 40 acre block to make the property more community friendly, relocating the entrance of the property to be next to the West End MARTA Station and to connect to the Beltline, creating two acres of park space, providing approximately \$2,000,000 in improvements to the interior of the building, having 24/7 security and cameras to help improve safety in the area, and spending approximately \$2,000,000 in environmental remediation. Mr. Nash added that the project developers have been working closely with the community, met with Beltline leadership, and have received their enthusiastic support for the project. Mr. Nash further added that the project would be tailored to providing an opportunity for small, creative businesses to help serve as the cultural engine for the City of Atlanta. Upon a motion made by Dr. Jolley, which was seconded by Mr. Metzger, the Authority unanimously approved the final bond resolution for BigMet.

Final Bond Resolution for PME Oakmont Goodson II, LLC (“Oakmont”): Mr. Bill Holby of King & Spalding LLP appeared in connection with the request for a final bond resolution for the issuance of \$21,000,000 in revenue bonds to finance the development of an approximately 400 square foot, state-of-the-art distribution facility to be located in the City of Union City and the City of South Fulton. Mr. Holby explained that the project developer would be Oakmont Industrial Group, who has experience developing industrial, light manufacturing, and logistics space. Mr. Holby informed the Authority that the project would create approximately 50 permanent jobs and 60 construction jobs. Mr. Nash explained that while the project location is designated as a Less Developed Census Tract (“LDCT”), the project would not have the benefit of being in an Opportunity Zone. Mr. Nash further explained that being designated as an LDCT means the State of Georgia has specifically identified this area as needing help with development. Mr. Nash added that the City of Union City is supportive of the project and therefore recommended approval. Upon a motion made by Mr. Broadbent, which was seconded by Ms. Cash, the Authority unanimously approved the final bond resolution for Oakmont.

Assignment of Sonoco D&P, LLC Project (“Sonoco”) to Duracell Distributing, Inc. (“Duracell”): Mr. Stephen Opler of Barnes & Thornburg LLP appeared in connection with the request for an assignment of Sonoco to Duracell. Ms. Zayac reminded the Authority that the original project involved a facility in the City of Fairburn and consisted of the acquisition of equipment used by Duracell to make packaging for batteries. Mr. Nash explained that Sonoco is one of the largest providers of packaging and distribution, that the original project had Duracell outsourcing its packaging and distribution to Sonoco, and that the assignment from Sonoco to Duracell is really an internal assignment. Ms. Zayac further explained that Duracell has decided they want to be a direct party with the Authority and act as an assignee under the bond documents, which is something that is permitted under the bond documents. Ms. Zayac added that the assignment documents are in good order and include all the necessary protections for the Authority. Mr. Nash recommended approval. Upon a motion made by Mr. Broadbent, which was seconded by Dr. Jolley, the Authority unanimously approved the assignment to Duracell.

#### NEW BUSINESS:

Letter of Inducement for 8West Holdings, LLC (“8West Holdings”): Mr. Woody Vaughan of

Holland & Knight LLP and Mr. Matt Reese of 8West Holdings appeared in connection with the request for a letter of inducement for the issuance of \$55,000,000 in taxable revenue bonds for the development of an approximately 200,000 square foot mixed-use project, including approximately 175,000 square feet of office space and approximately 25,000 square feet of retail to be located at Marietta Street, Howell Mill Road, and 8<sup>th</sup> Street. Mr. Reese informed the Authority that the project would be developed directly east of the existing retail sites, incorporate the industrial history of the area into the architecture, be tailored to creative media technology companies, and would reengage the Georgia Institute of Technology campus. Mr. Vaughan explained that they had met with Beltline leadership and that the Beltline appreciated the connectivity that the project would bring, especially since 8 West Apartments, a sister project, would connect affordable housing to new office and retail space. Mr. Reese further described some of the project's community improvements, including a realignment of Howell Mill and Marietta Street to improve vehicular flow and provide an urban plaza with public gathering space, a realignment of 3<sup>rd</sup> Street, enhancement of sidewalks and biking lanes to allow safe and easy access for pedestrians and cyclists, creation of bike storage, an approximately 4,000 square foot public art wall, and the relocation of Hathaway Gallery. Mr. Vaughan added that the project would be built on a speculative basis and that any tax savings would be passed down to future tenants in order to incentivize companies to come to the area. Mr. Nash informed the Authority that the property is currently generating approximately \$23,000 in property taxes each year, which will significantly increase with this investment, and recommended approval. Upon questions from the Authority, Mr. Reese explained that since they would be delivering a product to the market with rents well below \$40 a square foot in order to incentivize companies and jobs to the area, the incentive is absolutely necessary. Upon further questions from the Authority, Mr. Reese indicated that the project would create approximately 800 to 900 permanent jobs and 200 construction jobs. Upon further questions from the Authority, Mr. Reese explained that while he cannot speak to Harvest Capital LLC, the developer is committed to the Authority's MFBE policy. Upon a motion made by Mr. Broadbent, which was seconded by Dr. Jolley, the Authority unanimously approved the letter of inducement for 8West Holdings.

Letter of Inducement for Westside Village Atlanta, LLC ("Westside Village"): Mr. Glenn Thomson and Ms. Amber Pelot of Alston & Bird LLP, Mr. Brandon Ashkouti of Eden Rock Real Estate Partners, and Mr. Adam Zuckerman of Stein Investment Group appeared in connection with the request for a letter of inducement for the issuance of \$30,000,000 in taxable revenue bonds for the development of an approximately 90,000 square foot mixed-use project that would transform an industrial warehouse building into retail and restaurant space. Mr. Ashkouti provided background on the project location and explained that while there has recently been significant residential growth in the area, the area remains grossly underserved and requires residents to drive 15 to 20 minutes for the nearest daycare, doctor's office, and other regular destinations. Mr. Ashkouti provided further background on the project location and informed the Authority that assemblage began in 2015 and the property includes approximately 9 acres, including 15 panels that previously housed an aging warehouse, 12 single family homes, and an abandoned street. Upon questions from the Authority, Mr. Ashkouti explained that the single family homes were approximately 75 years old, had roots caving in, and some were boarded up. Upon further questions from the Authority, Mr. Ashkouti explained that as a result of the unattractive state of the project location, the neighborhood sought a comprehensive redevelopment. Mr. Ashkouti further explained that they have received significant support from the neighborhood, including support from City of Atlanta officials, two Neighborhood Planning Units ("NPU's"), a member of Atlanta City Council, and many local residents. Mr. Ashkouti

described that some of the site challenges would include spending over \$175,000 in demolition costs for asbestos remediation, spending approximately \$200,000 to import soil, and upgrading storm water systems. Mr. Ashkouti further described that the project would have several community improvements, including the development of a covered breezeway and outdoor seating area, maintaining a local artist program where local artists can display art on a rotating schedule, significant transportation system improvements so that pedestrians can safely access Marietta Boulevard, road improvements including building a road through the property for public use, and new streetscapes. In addition to these community improvements, Mr. Ashkouti informed the Authority that the project would create approximately 200 permanent jobs and 100 construction jobs. Mr. Ashkouti emphasized that the incentive is required to proceed with the project as presented and that without the incentive they would have to pause development and look for exit strategies. More specifically, Mr. Ashkouti stated that since five acres of the project would not be conducive for development without the incentive, that portion of the property would not be developed resulting in the retail portion being comprised of lower quality retail. Mr. Ashkouti explained that scaling back the project in this manner is certainly not what the neighborhood has requested and would significantly set back growth in the area. Mr. Nash added that a portion of the project would be located in the Perry Bolton TAD, but that the project would not create any additional debt on the TAD. Mr. Nash informed the Authority that the property is currently generating approximately \$470,000 in property taxes each year, which will significantly increase to approximately \$3.8 million with this investment. Upon further questions from the Authority, Mr. Ashkouti shared that some of the future tenants should include a Primrose Daycare, fitness center, and other minority and female owned businesses. Upon a motion made by Mr. Broadbent, which was seconded by Dr. Jolley, the Authority unanimously approved the letter of inducement for Westside Village.

#### DISCUSSION:

Commissioner Morris commended the Authority's efforts and the level of detail at which the Authority analyzes these projects. Commissioner Morris expressed excitement for these upcoming developments in Fulton County.

#### ITEMS FOR APPROVAL:

Minutes. The minutes from the Regular Monthly Meeting held on September 25, 2018 were presented to the Authority for approval. Upon a motion made by Dr. Jolley, which was seconded by Mr. Broadbent, the Authority unanimously approved the minutes as presented.

#### NEXT MEETING:

Chairman Shaw announced that the Authority's Regular Monthly Meeting will be held on Tuesday, November 13, 2018 at 2:00 p.m. in the Suite 2052 (Peachtree Level) conference room. Chairman Shaw further announced that the Joint Development Authority of Metro Atlanta Quarterly Meeting has been rescheduled for Tuesday, October 23, 2018 at 11:30 a.m. at the Cherokee Run Golf Club in Conyers, Georgia.

There being no further business, the meeting was adjourned.

Samuel D. Jolley, Jr.

Dr. Samuel D. Jolley, Jr., Secretary

EXHIBIT A

OPEN MEETINGS AFFIDAVIT

[Attached]

OPEN MEETINGS AFFIDAVIT

The undersigned Chairman or person presiding over the meeting (the "Chairman"), under oath, certifies that at a meeting of the Board of Directors of the Development Authority of Fulton County (the "Authority") held today, the Authority closed its meeting as permitted by the Open Meetings Act of Georgia. The only matters considered or discussed during the closed portion or executive session of its meeting is as checked below:

- X To consult and meet with legal counsel pertaining to pending or potential litigation, settlement, claims, administrative proceedings, or other judicial actions brought or to be brought by or against the Authority or an officer or employee or in which the officer or employee may be directly involved. [O.C.G.A. § 50-14-2(1)]
\_\_\_ To authorize the settlement of a matter which was properly discussed in executive session in accordance with O.C.G.A. § 50-14-2(1) subject to subsequent public vote. [O.C.G.A. § 50-14-3(b)(1)(A)]
\_\_\_ To authorize negotiations to purchase, dispose of, or lease property. [O.C.G.A. § 50-14-3(b)(1)(B)]
\_\_\_ To authorize the ordering of an appraisal related to the acquisition or disposal of real estate. [O.C.G.A. § 50-14-3(b)(1)(C)]
\_\_\_ To enter into a contract to purchase, dispose of, or lease property subject to approval in a subsequent public vote. [O.C.G.A. § 50-14-3(b)(1)(D)]
\_\_\_ To enter into an option to purchase, dispose of, or lease real estate subject to approval in subsequent public vote. [O.C.G.A. § 50-14-3(b)(1)(E)]
\_\_\_ To discuss or deliberate upon the appointment, employment, compensation, hiring, disciplinary action or dismissal, or periodic evaluation or rating of a public officer or employee or interviewing applicants for the position of executive head of the agency, but not to discuss the receipt of evidence or hearing of arguments on personnel matters, including whether to impose disciplinary action or dismiss a public officer or employee or when considering or discussing matters of policy regarding the employment or hiring practices of the agency; votes on any of the foregoing matters must be public. [O.C.G.A. § 50-14-3(b)(2)]
\_\_\_ To discuss matters pertaining to investment securities trading or investment portfolio positions and composition of a public retirement plan created by or subject to Title 47 of the Georgia Code. [O.C.G.A. § 50-14-3(b)(3)]
\_\_\_ To discuss a portion of a record that is exempt from public inspection or disclosure pursuant to O.C.G.A. § 50-18-70 et seq. where there are no reasonable means by which the agency can consider the record without disclosing the exempt portions if the meeting were not closed. [O.C.G.A. § 50-14-3(b)(4)]

The undersigned Chairman certifies that he or she has been advised that O.C.G.A §50-14-4(b) requires that when any meeting of the Authority is closed in accordance with an exception to the Open Meetings Law that:

- (i) the specific reason for the closure is to be entered into the official minutes of the meeting;
(ii) the meeting is to be closed only upon a majority vote of a quorum present for the meeting;
(iii) the minutes are to reflect the names of the members present and those voting for the closure; and
(iv) the person presiding over the meeting is to execute and file with the official minutes of the meeting a notarized affidavit stating under oath that the subject matter of the meeting or the closed portion thereof was devoted to matters within the exceptions provided by law and identifying the specific relevant exception.

This 19th day of October, 2018.

Sworn to and subscribed before me this the 19th day of Oct, 2018

[Signature]
Notary Public

My Commission Expires:



[Signature]
Robert J. Shaw, Chairman