

**DEVELOPMENT AUTHORITY OF FULTON COUNTY
REGULAR MEETING HELD ON
TUESDAY, MARCH 26, 2019 AT 2:00 P.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
Mr. Michel Turpeau – Board Member
Ms. Sarah Cash – Board Member
Dr. Meria J. Carstarphen – 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, Mr. Samir Abdullahi, 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 Hausmann, Commissioner Morris, Ms. Jenn Thomas of Commissioner Morris' office, Fulton County Manager Mr. Dick Anderson, Mayor J. Clark Boddie of Palmetto, Mr. Anthony Grant of the City of Atlanta Office of Housing and Community Development, Mr. Dwayne Vaughn of the Atlanta BeltLine, Chief Financial Officer of Fulton County Ms. Sharon Whitmore, Mr. Fred Hoffman of Commissioner Ellis' office, Ms. Maggie Lee of Saporta Report, Ms. Lisa Bracken and Ms. Aeriell Carr of Atlanta Public Schools, and Mr. Sam Betten, a citizen of Fulton County.

PUBLIC COMMENT: Chairman Shaw and Mr. Broadbent announced that the Board would hear public comment. Commissioner Morris and Mr. Betten appeared for public comment.

OLD BUSINESS:

Final Bond Resolution for WLKR Ponce Owner LLC ("WLKR Ponce Owner"): Ms. Allison Dyer of Holland & Knight LLP and Mr. Beau King of Kim King Associates appeared in connection with the request for a final bond resolution for the issuance of \$20,000,000 in revenue bonds to finance the development of an approximately 112-room JDV Boutique Hotel to be located at 551 Ponce de Leon Avenue in the City of Atlanta. More specific details are described in the Fact Sheet included as part of this item posted on the Authority's website. Upon a motion made by Mr. Broadbent, which was seconded by Ms. Cash, the Authority unanimously approved, with the exception of Dr. Carstarphen, the final bond resolution for WLKR Ponce Owner.

Final Bond Resolution for DRI/WP Dairies II, LLC (“Alta Dairies II”) (Induced as WP South Acquisitions, L.L.C.): Ms. Amber Pelot of Alston & Bird LLP and Mr. Tyler Hurd of Wood Partners appeared in connection with the request for a final bond resolution for the issuance of \$57,500,000 in revenue bonds to finance the development of an approximately 250-unit apartment complex, including affordable housing units, to be located at 777 Memorial Drive SE in the City of Atlanta. More specific details are described in the Fact Sheet included as part of this item posted on the Authority’s website. Upon a motion made by Mr. Turpeau, which was seconded by Mr. Broadbent, the Authority unanimously approved, with the exception of Dr. Carstarphen, the final bond resolution for Alta Dairies II.

Final Bond Resolution for Phoenix Ridge GA TC, LP (“Phoenix Ridge”): Ms. Susan Langford of Butler Snow LLP appeared in connection with the request for a final bond resolution for the issuance of \$50,000,000 in revenue bonds for a federally tax-exempt transaction to finance the rehabilitation and preservation of an affordable housing facility to be located at 900 New Town Circle SE in the City of Atlanta. More specific details are described on the Fact Sheet included as part of this item posted on the Authority’s website. Upon a motion made by Dr. Carstarphen, which was seconded by Dr. Jolley, the Authority unanimously approved the final bond resolution for Phoenix Ridge.

NEW BUSINESS:

Letter of Inducement for Pollack Shores Development LLC (“Pollack Shores”): Mr. Dan McRae of Seyfarth Shaw LLP and Mr. Tyler Gaines of Pollack Shores appeared in connection with the request for a letter of inducement for the issuance of \$48,000,000 in taxable revenue bonds for the development of a mixed-use project consisting of approximately 270 multifamily units, including affordable housing units, and approximately 10,000 square feet of retail to be located at 72 Milton Avenue SE in the City of Atlanta. More specific details are described in the Fact Sheet included as part of this item posted on the Authority’s website. Upon a motion made by Dr. Jolley, which was seconded by Mr. Turpeau, the Authority unanimously approved the letter of inducement for Pollack Shores.

Letter of Inducement for Fairfield Residential Company, LLC (“Fair Drive”): Mr. Dan McRae of Seyfarth Shaw LLP appeared in connection with the request for a letter of inducement for the issuance of \$30,000,000 in revenue bonds for a federally tax-exempt transaction to finance the development of a 100% affordable multifamily housing project to be located at 1944 St. Johns Avenue in the City of Atlanta. More specific details are described in the Fact Sheet included as part of this item posted on the Authority’s website. Upon a motion made by Mr. Broadbent, which was seconded by Ms. Cash, the Authority unanimously approved the letter of inducement for Fair Drive.

Letter of Inducement for Southern Post, LLC (“Southern Post”): Mr. Andrew Egan and Mr. Reed Bennett of Kutak Rock LLP and Mr. Jay Douglas, Mr. Thomas Rowe, and Mr. Jeff Garrison of S.J. Collins Enterprises appeared in connection with the request for a letter of inducement for the issuance of \$75,000,000 in taxable revenue bonds for the development of a mixed-use project consisting of approximately 51,000 square feet of commercial, restaurant, and retail space, approximately 73,000 square feet of office space, and approximately 128 residential rental units to be located at 1023-1047 Alpharetta Street in the City of Roswell. More specific details are described in the Fact Sheet included as part of this item posted on the Authority’s website. Upon discussions among the Authority, Dr. Carstarphen shared communications between herself and

Dr. Cindy Loe of Fulton County Schools, attached hereto as Exhibit A. Upon a motion made by Mr. Bacote, which was seconded by Mr. Broadbent and Mr. Turpeau, the Authority unanimously approved the letter of inducement for Southern Post.

Letter of Inducement for Lincoln Property Company and Morgan Stanley (the "Mason Road Distribution Center"): Mr. Dan McRae of Seyfarth Shaw LLP, Mr. Shane Moncrief and Mr. Rupam Banerjee of Ryan, LLC, and Mr. Bucky Shamburger of Lincoln Property Company appeared in connection with the request for a letter of inducement for the issuance of \$25,000,000 in taxable revenue bonds for the development of an approximately 403,000 square foot distribution facility to be located at the corner of Mason Road and Hunter Road in the City of Union City. More specific details are described in the Fact Sheet included as part of this item posted on the Authority's website. Upon a motion made by Mr. Broadbent, which was seconded by Ms. Cash and Mr. Metze, the Authority unanimously approved the letter of inducement for the Mason Road Distribution Center.

Letter of Inducement for Lincoln Property Company and Morgan Stanley (the "Union 85 Distribution Center"): Mr. Dan McRae of Seyfarth Shaw LLP, Mr. Shane Moncrief and Mr. Rupam Banerjee of Ryan, LLC, and Mr. Bucky Shamburger of Lincoln Property Company appeared in connection with the request for a letter of inducement for the issuance of \$15,280,000 in taxable revenue bonds for the development of an approximately 243,540 square foot distribution facility to be located at 3725 Royal South Fulton Parkway in the City of Union City. More specific details are described in the Fact Sheet included as part of this item posted on the Authority's website. Upon a motion made by Mr. Broadbent, which was seconded by Mr. Metze, the Authority unanimously approved the letter of inducement for the Union 85 Distribution Center.

Letter of Inducement for Exel Inc. d/b/a DHL Supply Chain (USA) ("DHL"): Ms. Maureen Callahan of Troutman Sanders LLP and Mr. Steve Hess and Mr. Jason Kirkham of DHL appeared in connection with the request for a letter of inducement for the issuance of \$12,900,000 in taxable revenue bonds for the development of an approximately 239,000 square foot warehouse and distribution center to be located on Bohannon Road in the City of Fairburn. More specific details are described in the Fact Sheet included as part of this item posted on the Authority's website. Upon a motion made by Mr. Broadbent, which was seconded by Dr. Jolley, the Authority unanimously approved the letter of inducement for DHL.

ITEMS FOR APPROVAL:

PVH Corp. ("Project Wide Open") REBA Grant: Mr. Jim Monacell of Smith, Gambrell & Russell, LLP appeared in connection with the request for a Regional Economic Business Assistance ("REBA") Grant in the amount of \$750,000 to offset the cost of racking systems in a new distribution and warehouse facility. More specific details are described in the Fact Sheet included as a part of this item posted on the Authority's website. Upon a motion made by Mr. Broadbent, which was seconded by Dr. Jolley, the Authority unanimously approved the REBA Grant for Project Wide Open.

Pop Displays USA, LLC ("Pop Displays") REBA Grant: Mr. Nash announced the request for a Regional Economic Business Assistance ("REBA") Grant in the amount of \$300,000 to defray costs incurred by Pop Displays in connection with the purchase of racking systems to be installed in a new distribution, warehouse, and manufacturing facility. More specific details are described

in the Fact Sheet included as a part of this item posted on the Authority's website. Upon a motion made by Dr. Jolley, which was seconded by Mr. Metze, the Authority unanimously approved the REBA Grant for Pop Displays.

NEXT MEETING:

Chairman Shaw announced that the Authority's Special Call Meeting will be held on Thursday, March 28, 2019 at 10:00 a.m. and the Authority's Regular Monthly Meeting will be held on Tuesday, April 23, 2019 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 ("JDAMA") Quarterly Meeting has been scheduled for Tuesday, April 9, 2019 at 11:30 a.m. in DeKalb County.

There being no further business, the meeting was adjourned.

Samuel D. Jolley, Jr.

Dr. Samuel D. Jolley, Jr., Secretary

Exhibit A

See attached.

Hall, Pamela

Subject: Development Authority of Fulton County Incentives

From: Loe, Cindy <LoeC@fultonschools.org>

Sent: Monday, March 25, 2019 3:07 PM

To: Atlanta Superintendent's Office <suptoffice@atlanta.k12.ga.us>

Cc: Carstarphen, Meria <mjcarstarphen@atlanta.k12.ga.us>; Morales, Robert <moralesr@fultonschools.org>

Subject: Re: Development Authority of Fulton County Incentives

Dr. Carstarphen,

Thank you for forwarding information regarding these pending developments and tax abatements; and for the opportunity to comment.

Like Atlanta Public Schools, Fulton County School System is sensitive to this issue. Unlike cities and counties, there are only two sources of revenue (state revenue and local property taxes) that fund the general operations of a school district. In our case state revenue is 37% of our budget and property taxes are 63%. As such the Fulton County School District is heavily reliant on local property taxes required to operate our 106 schools and serve the needs of our 95,000 plus students. In addition, beginning this year, Fulton County citizens overwhelmingly approved a referendum in November 2018 which caps our tax digest growth for homes at 3% or CPI (whichever is lower). This poses a significant challenge to our ability to generate taxes from our property tax digest. As we contemplate development incentives such as the ones proposed for this meeting we are mindful that every dollar abated to development incentive represents an **immediate** dollar taken from our schools and students.

We appreciate your sharing of economic development information prior to a vote. As you are aware school districts traditionally have been left out of the loop until the vote has been cast months earlier. We believe that you have formulated your upcoming votes on the best information possible. It is however difficult to assess the potential impact of the proposed tax abatements on Fulton County Schools given the information we have been provided and the time frame we have been given to respond. We are mindful of our role as financial stewards of public funds and believe negotiations of economic incentives requires a thorough study of all elements. Without more detailed information including a basic pro forma, development costs, and projected rate of returns as well as standard industry rate of returns on such investments, we could not possibly determine the need for tax abatements.

We are certain that the Fulton County Development Authority does not take these matters lightly and we would encourage further transparency regarding the proposed abatements and more importantly the process used to determine the need for such abatements.

As such, and since you are in a position where more information is available to you, we trust that you will be able to make the appropriate vote in each proposal.

Additionally, it is my understanding that during the February 26th meeting of the Fulton County Development Authority a statement was made that indicated that the Fulton County Development Authority was in full communication with the Fulton County School District and that the District was in support of the proposed incentives. Please know that on February 22nd our finance team contacted Mr. Nash to ask if there were any proposals on the agenda which would impact tax revenue for the Fulton County School District. On February 23 Mr. Nash responded with a spreadsheet which identified four projects impacting our District. Please know that **no support** for any incentive was offered by staff of the Fulton County School District.

Thank you,

Cindy Loe, PhD
Interim Superintendent
Fulton County Schools