

**DEVELOPMENT AUTHORITY OF FULTON COUNTY
REGULAR MEETING HELD ON
TUESDAY, MAY 26, 2015 AT 2:00 P.M.
IN THE 4th FLOOR CONFERENCE ROOM
FULTON COUNTY GOVERNMENT CENTER BUILDING**

MINUTES

Present were the following Members of the Authority:

Mr. Robert J. Shaw – Chairman
Dr. John E. Maupin, Jr. – Vice Chairman
Dr. Samuel D. Jolley, Jr. – Secretary
Mr. Walter Metze – Treasurer
Mr. Sam Bacote – Board Member
Mr. Penn Hodge – Board Member
Ms. Regina Page – Board Member

Also present were Mr. Al Nash, Executive Director, Mr. Lewis C. Horne, Jr. and Ms. Sandra Z. Zayac, attorneys for the Authority. Ms. Doris Coleman, Ms. Marva Bryan, and Ms. Sabrina Kirkland, staff of the Authority, were also present.

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

RECOGNITION OF VISITORS: Also present were Mr. Edward Leidelmeijer and Mr. Daniel White of Commissioner Hausmann’s office, Ms. Terry Allen of Commissioner Garner’s office, Mr. Doug Sams of the Atlanta Business Chronicle, Mr. Ed Nelson and Mr. Art Brown of the South Fulton Economic Development Division, and Ms. Jordan Hodge, Mr. Matthew Roberts, Ms. Mary Frances McKenna, and Ms. Jennifer Bassett of Arnall Golden Gregory LLP.

OLD BUSINESS

Final Bond Resolution for Mercedes-Benz USA, LLC (“Mercedes”): Mr. Jim Woodward of Gray Pannell & Woodward LLP appeared in connection with the request for a final bond resolution for the issuance of \$110,000,000 in taxable bonds for the relocation of Mercedes’ corporate headquarters to Fulton County. Mr. Woodward explained that the bond documents had been reviewed by bond counsel and by the Authority’s counsel and were in substantially final form. He indicated that the closing would occur late this summer. Mr. Nash commented that the original bond inducement requested was for \$93,000,000, however, the inducement had been increased after refinement of the relocation plans. Mr. Nash recommended approval of the final bond resolution. Upon a motion made by Dr. Jolley, which was seconded by Mr. Hodge, the Authority unanimously approved the final bond resolution for Mercedes.

Final Bond Resolution for DCT Fairburn, LLC (“DCT”): Mr. Nedom Haley and Mr. Bill Osterbrock of Baker, Donelson, Bearman, Caldwell & Berkowitz, PC appeared in connection with the request for a final bond resolution for the issuance of \$42,000,000 in taxable bonds for

the construction and development of a 1.2 million square foot warehouse and distribution facility. Mr. Haley explained that the identity of the potential tenant for the facility could not be discussed; however, the prospect would be identified as soon as lease negotiations were finalized. He also explained that the inducement provided by the Authority was instrumental in securing this tenant. Mr. Haley indicated that the new facility would create 135 permanent jobs and 200 construction jobs in Fulton County. Mr. Nash commented that the project would be a great win for Fulton County. Upon a motion made by Mr. Hodge, which was seconded by Dr. Maupin, the Authority unanimously approved the final bond resolution for DCT.

YTG Fairburn, LP (TPA Group, LLC) (“YTG Fairburn”): Mr. Bruce McCall of Miller & Martin PLLC appeared in connection with the request for a final bond resolution for the issuance of \$45,000,000 in taxable bonds for the construction and development of mixed-use facility to be located at 8000 Creekwood Road in the City of Fairburn. Mr. McCall explained that the identity of the tenant for the facility would be announced soon and that it would be an exciting addition to Fulton County. He indicated that the project would create approximately 300 employment opportunities. Mr. Nash explained that he had spoken with the Mayor of the City of Fairburn who requested that the Authority approve the project. Mr. Nash recommended approval of the project. Upon a motion made by Ms. Page, which was seconded by Dr. Jolley, the Authority unanimously approved the final bond resolution for YTG Fairburn.

The Kroger Co. (Glenwood Project) (“Kroger – Glenwood”): Mr. Bill Holby of King & Spalding LLP appeared in connection with the request for a final bond resolution for the issuance of \$33,851,000 in taxable bonds for the construction and development of a 115,000 square foot Kroger grocery store to be located off of Glenwood Avenue. Mr. Holby explained that the project was induced on April 28, 2015. He also explained that the project would be located at the former Lafarge concrete plant. Mr. Nash commented that the project would be beneficial to the Glenwood area. He explained that the grocery store would be key to the neighborhood’s revitalization. Mr. Nash recommended the Authority’s approval of the project. Upon a motion made by Dr. Maupin, which was seconded by Dr. Jolley, the Authority unanimously approved the final bond resolution for Kroger – Glenwood.

Assignment of 1075 Peachtree LLC Project (Lowe’s Hotel Building) (“1075 Peachtree”): Mr. Bill Holby of King & Spalding LLP appeared with Mr. Paul Folger of MetLife in connection with the request to assign the leasehold interest in the Lowe’s Hotel to LM Atlanta Hotel, LLC. Mr. Holby explained that the current ownership structure was a 90/10 partnership. He explained that the current minority partner would step out as a partner and Lowe’s would step in and continue to operate the hotel. Mr. Holby indicated that there would be no change in the business operations, merely a change in the ownership structure. Mr. Nash recommended approval by the Authority. Upon a motion made by Mr. Hodge, which was seconded by Dr. Jolley, the Authority unanimously approved the assignment of 1075 Peachtree.

Modification to The Donnellan School Holdings, LLC (“Donnellan”): Mr. Bren Brooks of Smith Gambrell & Russell LLP appeared with Ms. Debra Brown from the Holy Spirit Preparatory School in connection with the request to modify the 2004 Bonds issued to benefit Donnellan, in the original principal amount of \$15,000,000. Mr. Brooks explained that since the bonds were

issued, the school had changed its name to the Holy Spirit Preparatory School. He also explained that the bondholders have agreed to extend the maturity date of the bonds to 2020 to allow the school time to refinance the bonds with a traditional lender. Upon questions from the Authority, Ms. Brown explained that the school did not currently have any financial or operational challenges. Mr. Nash recommended approval by the Authority. Upon a motion made by Dr. Maupin, which was seconded by Dr. Jolley, the Authority unanimously approved the modification between Donnellan and the bond holders.

NEW BUSINESS:

Letter of Inducement for Union City RPL Venture, LLC (“RPL Venture”): Mr. Ben Brooks of Smith Gambrell & Russell LLP appeared with Brian Cardoza of Rooker in connection with the request for a letter of inducement for the issuance of \$35,000,000 in taxable bonds for the construction and redevelopment of the old Shannon Mall site in Union City. Mr. Brooks explained that Rooker is the owner of the 80-acre site. He indicated that 60 acres would be developed into a 900,000 square foot distribution facility, and 20 acres would be later developed into six movie production studios. Mr. Brooks explained that the inducement would be for the distribution facility project. He also explained that the project did not currently have a tenant but that the project is expected to create at least 200 employment opportunities. Mr. Brooks indicated that the project has been well-received in the community since the mall has been closed since 2010. Mr. Nash commented that he spoke with the Mayor of Union City who is very excited about the project. He also indicated that the project would generate significantly more tax revenue than the property has generated in years. Upon a motion made by Dr. Maupin, which was seconded by Ms. Page, the Authority unanimously approved the letter of inducement for RPL Venture.

Letter of Inducement for Portman Holdings, LLC collaborating with QTS Realty Trust, Inc. (“Portman-QTS”): Mr. Dan McRae and Mr. Chris Compton of Seyfarth Shaw LLP appeared with Mr. John Portman, IV, Mr. Ambrish Baisiwala, and Mr. Hunter Richardson of Portman Holdings, LLC, in connection with the request for a letter of inducement for the issuance of \$360,000,000 in taxable bonds for the construction and development of a 620,000 square foot project with office space, a high performance computer data center, and 46,000 square feet of retail. Mr. McRae explained that the project would be located at Technology Square and would be a public and private partnership between Portman Holdings, LLC (“Portman”), QTS Realty Trust, Inc. (“QTS”) and the Georgia Institute of Technology (“Ga Tech”). Portman, QTS and Ga Tech designed the project with the goal of keeping and maintaining Ga Tech’s talent in Georgia. Mr. Portman explained that QTS would own the data center which would be used for bioscience and cancer research, and Ga Tech would use 300,000 square feet of the office space. Mr. Portman also explained that the project would use Atlanta’s historic Crum-Forster building to house several restaurants and a faculty lounge. Mr. Nash recommended the Authority’s approval of the project. Upon a motion made by Dr. Maupin, which was seconded by Dr. Jolley, the Authority unanimously approved the letter of inducement for Portman-QTS.

Letter of Inducement for Greystar GP II, LLC (“Greystar”): Mr. Bill Holby of King & Spalding LLP appeared with Mr. John Roberson of Greystar in connection with the request for a letter of

inducement for the issuance of \$150,000,000 in taxable bonds for the construction and development of a mixed-use project. Mr. Holby explained that the project would be located North of 17th Street and Spring Street and would include apartments, office, retail, a hotel, and a parking deck. Mr. Roberson indicated that the project would be located on a challenging site because of the site's L-shaped configuration and its location over a Marta easement. Mr. Roberson explained that meetings with Marta had taken place and that the easement would require a ventilation shaft to be provided for the subway system. Upon questions from the Authority, Mr. Roberson explained that that the project would not have affordable housing units, and would include mostly one-bedroom and studio units. He also explained that the project used an MBE interior designer and MBE subcontractors and that the project would create approximately 100 full time job opportunities. Mr. Nash commented that the property is currently a paved parking lot and that the \$150,000,000 investment would be a significant increase in tax revenue. Mr. Nash recommended approval of the project. He explained that the easement creates significant construction costs and that the project would not be feasible without the incentives. Upon a motion made by Dr. Jolley, which was seconded by Dr. Maupin, the Authority unanimously approved the letter of inducement for Greystar.

Letter of Inducement for The Kroger Company (Camp Creek Project) ("Kroger – Camp Creek"): Mr. Bill Holby of King & Spalding LLP appeared with Ms. Yvonne Johnson of Kroger in connection with the request for a letter of inducement for the issuance of \$27,000,000 in taxable bonds for the construction of a 125,000 square foot grocery store on Camp Creek Parkway and Merk Road. Ms. Johnson explained that the cost to construct a typical 125,000 square foot grocery would be approximately \$22,000,000. She indicated that the increased cost for the project was a result of the site being located on a mountain. Ms. Johnson explained that a significant amount of dirt had to be removed and the site would need extensive sloping and grading. She also explained that there was a need for a grocery store in the area. Mr. Nash explained that a full-size grocery store would complete the neighborhood for the citizens of that community. He also explained that the project would create 80-100 construction jobs, 80 full-time jobs, and 145 part-time jobs. Upon a motion made by Dr. Maupin, which was seconded by Mr. Metze, the Authority unanimously approved the letter of inducement for Kroger – Camp Creek.

Letter of Inducement for Atlanta Senior Care Services, LLC ("Atlanta Senior Care"): Mr. Mike Kazamias of Kutak Rock LLP appeared with Mr. Matthew Weaver of Piper Jaffray and Mr. Cliff Davis of Florida First Development Corporation in connection with the request for a letter of inducement for the issuance of \$43,000,000 in bonds for the construction and development of a 180-unit affordable, low-income, senior facility. Mr. Kazamias explained that the inducement would be for \$38,000,000 in tax-exempt bonds and \$5,000,000 in taxable bonds. He also explained that the project would be structured as a Section 142 transaction under the Internal Revenue Code and that the bonds would be sold to qualified institutional buyers. Upon questions from the Authority, Mr. Davis explained that the project would be located at the Southeast corner of Old Milton Parkway and 400, across from the Avalon development. He indicated that there is a strong market for the project in the Alpharetta area since other similar facilities were already 90% occupied. He also explained that Northside Hospital would be across from the project. Mr. Davis indicated that he also develops properties in association with the NFL, in NFL markets. He explained that the NFL properties provide priority placement for NFL players with traumatic

brain injuries, and that the Atlanta Senior Care facility would be one of the NFL facilities. Upon a motion made by Dr. Maupin, which was seconded by Ms. Page, the Authority unanimously approved the letter of inducement for Atlanta Senior Care.

DISCUSSION:

Update Unincorporated South Fulton County Economic Development Initiative. Mr. Ed Nelson and Mr. Art Brown of the South Fulton Economic Development Division (the “Division”) gave an update on projects the Division is currently working on including projects with PepsiCo, Kellogg’s, and Benchmark Pet Food Products, LLC.

Council of Development Finance Agencies, CDFA Georgia Financing Roundtable Conference. Ms. Marva Bryan explained the conference would be promoting development finance education and giving tours of downtown projects.

ITEMS FOR APPROVAL:

Minutes. The minutes from the Regular Monthly Meeting held on April 28, 2015, were presented to the Authority for approval. Upon a motion made by Dr. Jolley, which was seconded by Ms. Page, the Authority unanimously approved the minutes of April 28, 2015, as presented.

NEXT MEETING:

Chairman Shaw announced that the next Regular Meeting will be held on June 23, 2015, at 2:00 p.m. in the 4th floor conference room, room 4056.

There being no further business, the meeting was adjourned.

Samuel D. Jolley, Jr.

Dr. Samuel D. Jolley, Jr., Secretary