

**DEVELOPMENT AUTHORITY OF FULTON COUNTY
REGULAR MEETING HELD ON
TUESDAY, APRIL 24, 2018 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
Sen. Brandon Beach – Board Member
Mr. Michel Turpeau – 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 Hausmann, Mr. Edward Leidelmejer of Commissioner Hausmann's office, Mr. Daniel White of Commissioner Morris' office, Fulton County Manager Mr. Dick Anderson, and Chief Operating Officer of Fulton County Mr. Todd Long.

SWEARING IN OF NEW BOARD MEMBER SEN. BRANDON BEACH:

Chairman Shaw introduced Sen. Beach to the Authority, discussed Sen. Beach's background and qualifications, and announced that the Authority is honored to have him. Ms. Tonya Grier, Interim Clerk to the Commission, swore in Sen. Beach as an Authority board member.

OLD BUSINESS:

Final Bond Resolution for Pad on Harvard Residential Delaware LLC ("Pad on Harvard"): Mr. Andrew Patterson of Smith, Gambrell & Russell, LLP and Mr. Rod Mullice of Air Realty LLC appeared in connection with the request for a final bond resolution for the issuance of \$14,000,000 in revenue bonds to finance and/or refinance an approximately 109 unit, market rate, Class A apartment complex in the City of College Park. Mr. Mullice explained that the project is the first apartment complex of this quality to be built in College Park in 40 years and is approximately 100 yards from the College-Park MARTA station, which will particularly help airport employees. Mr. Mullice provided an update and informed the Authority that Pad on Harvard is in the process of finishing the construction of the pool and expanding the parking lot. Mr. Patterson added that the incentive for the project is critical in order to complete additional phases. Mr. Nash explained that Mayor Jack Longino has expressed his support of the project. Mr. Nash further added that the project will help stimulate growth around Hartsfield-Jackson

Atlanta International Airport and the Georgia International Convention Center and further recommended approval of the project. Upon questions from the Authority, Mr. Patterson discussed that occupancy of the complex is at approximately 92% and leasing of the complex is at approximately 96.5%. Upon a motion made by Mr. Turpeau, which was seconded by Dr. Jolley, the Authority unanimously approved the final bond resolution for Pad on Harvard.

Assignment of SCP Oakley/Fairburn Project (“SCP Oakley”) to Midland Mulberry, LLC (“Midland”), Investors Equity Group, Inc. (“Investors Equity Group”), Sandstone Creek ACLP LLC (“Sandstone”) and MF Capital, LLC (“MF”): Ms. Zayac presented to the Authority the request for an assignment of SCP Oakley to Midland, Investors Equity Group, Sandstone, and MF and explained that the assignment was a standard assignment transaction. Ms. Zayac reminded the Authority that the project, a multifamily residential building in the City of Fairburn, was approved in 2016. Ms. Zayac further explained that SCP Oakley is using a 1031 Real Estate Exchange to flip the project to Midland, Investors Equity Group, Sandstone, and MF, who each have a tenancy in common interest in the project. Ms. Zayac confirmed that the insurance and indemnity protections for the Authority will remain the same. Upon a motion made by Mr. Broadbent, which was seconded by Dr. Jolley, the Authority unanimously approved the assignment to Midland, Investors Equity Group, Sandstone, and MF.

Modification of Fulton-Allen Road Associates LLP and ARP Plaza City Springs LLP Projects (collectively, “Allen Road”): Mr. Dan McRae and Mr. Harrison Sullivan of Seyfarth Saw LLP appeared in connection the request for a modification of the Allen Road transactions. Mr. McRae explained that Allen Road is a mixed-use development, is composed of multifamily and retail components, and is located in the City of Sandy Springs. Mr. McRae provided background on the project and discussed that in 2016, the retail component transferred ownership to a new retail owner. Mr. McRae further discussed that the retail owner would now gain a small parcel of land from the apartment company and a storm water easement and a right-of-way would be granted to the City of Sandy Springs. Mr. McRae added that since the modification would be redistributing property between the two transactions, the modification requires the Authority’s approval. Ms. Zayac informed the Authority that the modification documents have been reviewed and are in good order. Upon a motion made by Mr. Broadbent, which was seconded by Ms. Cash, the Authority unanimously approved the modification for Allen Road.

Assignment of Phipps Tower Associates LLC Project (“Phipps Tower”) to Hancock S-REIT Atl Phipps LLC (“Atl Phipps”): Mr. Dan McRae and Mr. Harrison Sullivan of Seyfarth Shaw LLP appeared in connection with the request for an assignment of Phipps Tower to Atl Phipps. Mr. McRae explained that the original transaction took place in 2009. Mr. McRae further explained that in 2013, Phipps Tower was sold to John Hancock, who is now selling its interest to Atl Phipps. Ms. Zayac added that the Carter’s headquarters is located at the project. Upon a motion made by Dr. Jolley, which was seconded by Mr. Metze, the Authority unanimously approved the assignment to Atl Phipps.

NEW BUSINESS:

Letter of Inducement for Parkside Partners (17th Street Project) (“Parkside”): Mr. Jim Woodward of Gray Pannell & Woodward LLP and Mr. Eli Green of Parkside appeared in connection with the request for a letter of inducement for the issuance of \$52,000,000 in revenue bonds for the renovation of three old office buildings located on Peachtree Street and 17th Street. Mr. Woodward explained that the renovations would cost approximately \$33,000,000 in addition to

the purchase price of the buildings. Mr. Green discussed that Parkside acquired the three Class B and Class C buildings in December 2017 and that Parkside would be converting the three buildings to Class A loft creative office buildings. Mr. Green further discussed that Parkside would keep the existing structure of the three buildings, create a linear park along Peachtree Street to be used by the public and building tenants, and construct new facades, new elevators, new systems, and new glass. Mr. Green specified that park improvements would cost approximately \$1,000,000. Mr. Green added that the three buildings are approximately 40,000 square feet, 90,000 square feet, and 30,000 square feet and that the buildings are currently leased, with most of the leases being either short-term or month-to-month. Mr. Green explained that occupancy of the three buildings is currently at approximately 50%, but occupancy levels are quickly declining. Mr. Green clarified that during construction, the buildings would be vacant because in order to complete the renovation all tenants would move out for the 12 to 18 month construction period. Upon questions from the Authority, Mr. Green confirmed that the office buildings are located at 1389, 1401, and 1409 Peachtree Street. Upon further questions from the Authority, Mr. Green explained that the existing parking deck would undergo significant improvements to improve safety. Mr. Nash added that the project would significantly increase property taxes and recommended approval. Upon a motion made by Mr. Broadbent, which was seconded by Mr. Turpeau, the Authority unanimously approved the letter of inducement for Parkside.

Letter of Inducement for Trammell Crow Residential (8 West Project) (“TCR”): Mr. Jim Woodward of Gray Pannell & Woodward LLP and Mr. Justin Adams of TCR appeared in connection with the request for a letter of inducement for the issuance of \$70,000,000 in revenue bonds for the development of an approximately five to six story residential building with approximately 280 rental units and approximately 2,000 square feet of retail space to be located at 8th and 3rd Street in West Midtown. Mr. Woodward explained TCR would bury all power lines, realign 3rd Street, undergo Brownfield remediation, construct new public sidewalks, improve streetscapes, and comply with the City of Atlanta Affordable Housing Ordinance. Mr. Nash added that the property is currently generating \$48,000 in property taxes and that the project would increase the property taxes up to \$10,000,000 over a period of 10 years. Upon questions from the Authority, Mr. Adams confirmed that TCR is aware of the Authority’s Minority and Female Business Enterprise policy and would adhere to such policy. Upon a motion made by Mr. Turpeau, which was seconded by Sen. Beach, the Authority unanimously approved the letter of inducement for TCR.

ITEMS FOR APPROVAL:

Minutes. The minutes from the Regular Monthly Meeting held on March 27, 2018 and the minutes from the Special Call Meeting held on April 12, 2018 were presented to the Authority for approval. Upon a motion made by Dr. Jolley, 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, May 22, 2018 at 2:00 p.m. in the Suite 2052 (Peachtree Level) conference room.

EXECUTIVE SESSION:

A motion to enter into Executive Session for a personnel 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 2:55 p.m.

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

A motion to approve Mr. Nash's employment letter discussed in Executive Session was made by Mr. Broadbent, seconded by Mr. Turpeau, and unanimously approved by the Authority.

DISCUSSION AND APPROVAL:

Letter to the Authority's Counsel: Chairman Shaw requested that Mr. Broadbent read a letter to the Authority commending the service of Ms. Zayac, Ms. Uribe, and Ms. Woodyard, attorneys for the Authority. A motion to approve sending the letter to the Managing Partner of Arnall Golden Gregory LLP was made by Mr. Broadbent, which was unanimously approved by the Authority.

Consulting Agreement for RP Communications ("RP Consulting Agreement"): Chairman Shaw recused himself from discussion and left the room due to a conflict. Mr. Broadbent explained that the RP Consulting Agreement for public relations, government relations, and marketing was ready for renewal. The Executive Committee discussed that the contract price for the RP Consulting Agreement should be updated to reflect an increase, based on the Consumer Price Index, to a monthly fee of \$5,192. The Executive Committee further discussed that there would be no change in the scope of services provided to the Authority. Mr. Broadbent added that Chairman Shaw's conflict would be disclosed in the Daily Report. Upon a motion made by Mr. Broadbent, which was seconded by Dr. Jolley, the Authority unanimously approved the RP Consulting Agreement.

There being no further business, the meeting was adjourned.

Samuel D. Jolley, Jr.

Dr. Samuel D. Jolley, Jr., Secretary

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:

- 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)]
[X] 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 24th day of April, 2018.

Sworn to and subscribed before

me this the 24th day of April, 2018.

[Signature]

Notary Public

My Commission Expires: 01/23/22



[Signature]
Robert J. Shaw, Chairman