

**DEVELOPMENT AUTHORITY OF FULTON COUNTY
REGULAR MEETING HELD ON
TUESDAY, AUGUST 25, 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. Samuel D. Jolley, Jr. – Secretary
Mr. Walter Metze – Treasurer
Mr. Sam Bacote – Board Member
Ms. Regina Page – Board Member
Mr. Penn Hodge – Board Member
Mr. Steve Broadbent – 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 of Commissioner Hausmann’s office, Mr. Jonathan Colburn of Commissioner Ellis’ office, Mr. Terry Allen of Commissioner Garner’s office, attorney Savannah Potter Miller, Ms. Lauren Blaszyk of the Collaborative Firm, and Ms. Shelby Gutierrez of Arnall Golden Gregory LLP.

OLD BUSINESS

Union City RPL Venture, LLC (“RPL Venture”): Mr. Ben Brooks of Smith, Gambrell & Russell, LLP appeared with Mr. Brian Cardoza of Rooker in connection with the request for a final bond resolution 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. Upon questions from the Authority, Mr. Brooks explained that the inducement would be for the distribution facility project. Mr. Nash indicated that the project would generate significantly more tax revenue for Fulton County than the property has generated in years. Upon a motion made by Mr. Hodge, which was seconded by Mr. Broadbent, the Authority unanimously approved the final bond resolution for RPL Venture.

The Galloway Schools, Inc. (the “Galloway Schools”): Ms. Anlsy Moyer of King & Spalding LLP appeared in connection with the request for a final bond resolution for the issuance of not to

exceed \$4,500,000 in tax-exempt bonds to refund the outstanding principal amount of the Development Authority of Fulton County Adjustable Rate Revenue Bonds (The Galloway School, Inc. Project), Series 2002, originally issued in the amount of \$7,500,000 and which had been restructured in 2009 as a bank placement with SunTrust Bank. The Series 2002 Bonds were issued to finance the costs of the renovation, construction and equipping of various projects at the Galloway School's campus and to refinance existing debt. Ms. Moyer indicated that the bonds would mature in the year 2045 and have a put option in 10 years. Ms. Moyer also indicated that the refinancing would shave off about 45 basis points when calculating the Galloway Schools' interest rate. Mr. Nash recommended approval of the final bond resolution. Upon a motion made by Ms. Page, which was seconded by Dr. Jolley, the Authority unanimously approved the final bond resolution for the Galloway Schools.

Assignment of Lindmont Apartments LP to Sorelle Acquisition LLC: Ms. Sandy Zayac briefed the Authority in connection with the request to assign the leasehold interest in the Lindmont Apartments Project to Sorelle Acquisition LLC. Ms. Zayac explained that Lindmont Apartments was one of five parcels included in the 2009 Lane/Dawson project. She further explained that the Lindmont Apartments Project would now be assigned to Sorelle Acquisition and that Starlight Investment is the equity interest in the purchaser. Upon questions from the Authority, Ms. Zayac informed the Authority that the assignment would not have an impact on the tax digest. However, Ms. Zayac indicated that the assignment brings up an indemnification issue and that it would be in the best interest of the Authority to have the new company take over indemnification claims and not just for those going forward. Upon a motion made by Dr. Jolley, which was seconded by Mr. Broadbent, the Authority unanimously approved the request to assign the 2009 Bonds to Sorelle Acquisition.

NEW BUSINESS:

Letter of Inducement for 715 Peach, LLC ("715 Peach"): Mr. Chris Compton of Seyfarth Shaw LLP appeared with Mr. Matthew Delicata of Carter & Associates in connection with the request for a letter of inducement for the issuance of \$59,000,000 in taxable revenue bonds to finance the remodeling and conversion of an office building located at 715 Peachtree Street, on the corner of 3rd Street and Peachtree Street, in Midtown Atlanta. Mr. Compton explained that the office building was originally built for a single tenant, JC Penney, in the 1970's, but has been vacant for the past three years. Mr. Compton discussed that the plan for the project is to convert the building to house multiple tenants and complete the partially finished retail frontage space in order to attract new tenants, specifically high tech companies. Once completed the project could generate approximately 1,500 employment opportunities. Upon questions from the Authority, Mr. Dilecata disclosed that Carter had acquired the building approximately two months ago from an elderly gentleman for a purchase price of \$43,000,000. Mr. Nash recommended approval of the letter of inducement explaining that the project should be valued after construction at approximately \$60,000,000 generating a significant increase in property taxes for Fulton County over the next 10 years. The Executive Committee recommended approval of the letter of inducement. Upon a motion made by Mr. Broadbent, which was seconded by Mr. Hodge, the Authority unanimously approved the letter of inducement for 715 Peach.

Letter of Inducement for Green Street Partners, LLC ("Green Street"): Mr. Charles Sharbaugh of

Carlton Fields Jordan Burt LLP appeared with Ms. Katharine Kelley and Mr. Walter Brown of Green Street in connection with the request for a letter of inducement for the issuance of \$29,000,000 in taxable revenue bonds to refurbish Manuel's Tavern, develop a 65-unit mixed use project, and purchase a parking lot. Ms. Kelley and Mr. Brown were formerly associated with Jamestown Developers and involved in the Ponce City Market redevelopment project. Ms. Kelley explained that the renovation of Manuel's Tavern is necessary in order to preserve the iconic neighborhood restaurant, which has served as a gathering place for politicians and the press for over 60 years. Ms. Kelley discussed that the majority of the remodeling to the tavern will be structural and behind the walls. Furthermore, Ms. Kelley explained the plan to create a 65-unit mixed-use development directly across the street from Manuel's Tavern. The 65-units would primarily be comprised of two bedroom units of approximately 1,100 square feet in size and specifically targeted toward baby boomers and empty nesters. Additionally, the development would also have some lease office space available for small companies. Mr. Nash recommended approval of the letter of inducement. The project is being supported by the neighborhood planning unit and will generate significant tax revenue for Fulton County. Ms. Kelley explained that the incentives were critical to the Company's ability to move forward with the project. Upon a motion made by Mr. Hodge, which was seconded by Mr. Broadbent, the Authority unanimously approved the letter of inducement for Green Street.

Letter of Inducement for Southeast Capital Land, LLC ("SEC"): Mr. Ken Neighbors of Greenberg Traurig, LLP appeared with Mr. Jay Clark of SEC in connection with the request for a letter of inducement for the issuance of \$40,000,000 in taxable revenue bonds to develop The Hype Edgewood, a 300-unit apartment complex featuring some of the first micro units in Atlanta along with ground floor flex space located in the Old Fourth Ward's Edgewood Corridor of Atlanta, Georgia. Mr. Neighbors explained that the project will cater primarily to Millennials and others who seek a lifestyle close to employment and entertainment centers, as well as Georgia State University students. Mr. Neighbors also mentioned that the community will include an approximately 3 to 5% workforce housing component. Mr. Clark explained that the project is not financially feasible without the assistance of the DAFC. Mr. Clark explained that he has been targeting this area of Atlanta for about 16 years. Mr. Clark stated that the project's proximity to Midtown, Downtown, MARTA, the Atlanta Beltline Trail, and other trendy neighborhoods is a plus for residents who desire convenience and connectivity. Mr. Nash recommended approval of the letter of inducement explaining that after the \$40,000,000 investment, the project could generate up to \$5,000,000 in tax revenue for Fulton County over a ten year period. The property's current annual tax bill is approximately \$12,714. Upon questions from the Authority, Mr. Neighbors confirmed the project's location within the Eastside Tax Allocation District. Upon a motion made by Mr. Hodge, which was seconded by Mr. Broadbent, the Authority unanimously approved the letter of inducement for SEC.

Letter of Inducement for TPL Property Owner, LP ("TPL"): Mr. Nash introduced the project in connection with the request for a letter of inducement for the issuance of \$225,000,000 in taxable revenue bonds to redevelop Tower Place, an office building and retail complex located near the intersection of Piedmont Road and Peachtree Road in Buckhead, Atlanta, Georgia. Mr. Nash explained that TPL returned with more information and data after being tabled at the Authority's July 28, 2015 meeting. Mr. Nash discussed that TPL believes the renovation of Tower Place is necessary in order to retain current tenants and attract new tenants. TPL had just recently

acquired Tower Place. According to TPL, Tower Place's occupancy will drop to 70% in the upcoming months. Mr. Nash explained that the \$33,000,000 renovation of the 775,000 square foot building will consist of converting obsolete retail spaces to office lofts as well as additional structural modifications to the entire building. TPL has indicated that this project will be a catalyst for job growth and an opportunity to revamp space that has been vacant for the past seven years. Mr. Nash informed the Authority that based on information from Fulton County's Chief Appraiser, the Board of Assessors would support the project. The Executive Committee recommended approval of the letter of inducement. Upon several questions from the Authority, the Authority requested that it would be best to table the request, continue conversations with TPL, and have TPL return when additional information and data could be provided.

ITEMS FOR APPROVAL:

Resolution for Skanska (GDOT/Georgia 400 Project). Mr. Horne provided the Authority with a brief summary of the resolution to be presented. Mr. Horne explained that the resolution presented is similar to the prior resolution regarding the Georgia 400 project adopted at the Authority's July 28, 2015 meeting. Mr. Horne clarified, however, that this resolution is in favor of a particular developer, Skanska, as opposed to the prior resolution which granted the Public Finance Authority ("PFA") approval to finance a project in the Authority's jurisdiction through a proprietary financing structure. Mr. Earle R. Taylor, III of Dentons LLP appeared in order to present the resolution. Mr. Taylor explained that should his client, Skanska, win the Georgia Department of Transportation ("GDOT") request for proposals bid to build, design, and finance the Georgia 285/400 reconstruction project, PFA will be the issuer of the tax exempt bonds for the project. Mr. Nash recommended the approval of the resolution so that the Authority would remain unbiased towards all parties. Upon a motion made by Mr. Hodge, which was seconded by Mr. Bacote, the Authority unanimously approved the resolution for Skanska.

Acquirement of the Economic Development Corporation of Fulton County ("EDCFC"): Chairman Shaw explained to the Authority that the EDCFC is in the process of dissolution. Mr. Shaw discussed that it would be beneficial for the Authority to consider acquiring the corporate name and potential other assets of the EDCFC for nominal consideration. Mr. Shaw stressed the importance of ensuring that no other governmental entity attains a name similar to that of the Authority. Upon a motion from the Executive Committee, the Authority unanimously approved that the Authority take the necessary steps for the acquisition, for nominal consideration, of the corporate name and potential other assets of the EDCFC, without assuming any of the financial or other obligations and responsibilities or liabilities of said corporation.

Resolution for Appointment of Conflict Counsel: Mr. Horne explained to the Authority that an upcoming proposed modification of bond documents relating to the Hidden Crete project involves an unusual non-waivable conflict with his law firm Arnall Golden Gregory LLP. Mr. Horne informed the Authority that it is necessary for the Authority to appoint conflict counsel for this transaction and for others that may arise in the future. Mr. Horne recommended that the Authority authorize the engagement of Mr. Jim Monacell of Smith, Gambrell & Russell, LLP as conflict counsel for the Authority, when necessary, through a reciprocal arrangement in connection with his representation of the Development Authority of Dekalb County. Chairman Shaw confirmed that Mr. Monacell serves as general counsel to the Development Authority of

Dekalb County, a sister authority, and thus is familiar with the Authority's structure and transactions. He has also been involved with Authority transactions for the past 15 years. Upon a motion made by the Executive Committee, which was seconded by Mr. Hodge, the Authority unanimously approved the submitted written resolution authorizing the engagement of Mr. Monacell as conflict counsel for the Authority as part of the aforementioned reciprocal arrangement.

Minutes. The minutes from the Regular Monthly Meeting held on July 28, 2015 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 of July 28, 2015, as presented.

NEXT MEETING:

Chairman Shaw announced that the next Regular Meeting will be held on September 22, 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