

**DEVELOPMENT AUTHORITY OF FULTON COUNTY
REGULAR MEETING HELD ON
TUESDAY, SEPTEMBER 22, 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
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, and Mr. Jim Monacell, conflict counsel for the Authority. 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 Commissioner Liz Hausmann, Mr. Edward Leidelmeijer of Commissioner Hausmann’s office, Ms. Dorsha Dawkins of Commissioner Arrington’s office, attorney Savannah Potter Miller, Ms. Harriett Thomas of Commissioner Morris’ office, and Ms. Shelby Gutierrez of Arnall Golden Gregory LLP.

OLD BUSINESS:

Final Bond Resolution for Alcon Laboratories, Inc. (“Alcon”): Mr. Ben Brooks of Smith Gambrell & Russell LLP appeared with Mr. Dan Bennett of Alcon in connection with the request for a final bond resolution for the issuance of \$185,000,000 in taxable revenue bonds. Mr. Brooks explained that this is the second phase of the project the Authority approved in 2013. In 2013, the Authority approved an inducement resolution for Alcon of not to exceed \$450,000,000 in taxable bonds. The first phase was issued in 2013 in the amount of \$290,000,000. Alcon has returned to the Authority for the issuance of bonds for the second phase. Mr. Brooks informed the Authority that the project’s capital needs have grown to \$475,000,000, and thus Alcon has returned to the Authority for \$185,000,000 in bond financing. Mr. Bennett explained that this second phase of the project will allow Alcon to double its production from 6 to 12 lines. Mr. Bennett also explained that the first phase of the project created approximately 235 jobs in Fulton County and that the second phase is projected to create an additional 200 jobs in Fulton County. Commissioner Hausmann and Mr. Broadbent commended Alcon for its efforts and success in John’s Creek. Upon a motion by Mr. Broadbent, which was seconded by Dr. Maupin, the Authority unanimously approved the final bond resolution for Alcon.

Final Bond Resolution for Hype, LLC (Southeast Capital Land) (“Hype”): Mr. Ken Neighbors

of Greenberg Traurig, LLP appeared with Mr. Jay Clark and Mr. Brian McCarthy of Hype in connection with the request for a final bond resolution 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 mentioned that the community will include an approximate 5% workforce housing component. Mr. Clark stated that rent at the complex will range from \$975 to \$1,685, which is lower than the market average in the area due to the availability of micro units, studio floorplans, and furnished units. Mr. Nash commended the innovation of the project and recommended approval of the final bond resolution. Upon a motion made by Dr. Jolley, which was seconded by Mr. Metze, the Authority unanimously approved the final bond resolution for Hype.

Final Bond Resolution for 715 Peach, LLC ("715 Peach"): Mr. Dan McRae and Mr. Chris Compton of Seyfarth Shaw LLP appeared in connection with the request for a final bond resolution for the issuance of \$59,000,000 in taxable revenue bonds to finance the remodeling, renovation and conversion of an office building located at 715 Peachtree Street, on the corner of 3rd Street and Peachtree Street, in Midtown Atlanta. Mr. McRae 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. McRae 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. Mr. Nash recommended approval of the final bond resolution and explained that there is a need for additional office space in Midtown. Upon a motion made by Mr. Broadbent, which was seconded by Mr. Hodge, the Authority unanimously approved the final bond resolution for 715 Peach.

Resolution Approving Modification to Hidden Creste Apartments 2004 Project: Mr. Woodrow Vaughan III of Holland & Knight LLP appeared in connection with the request for a resolution approving the modification to the Hidden Creste Apartments bonds issued by the Authority in 2004. Mr. Vaughan explained that Red Stone is going to purchase the bonds. Mr. Vaughan further explained that modification involves the replacement of the letter of credit and an amendment to the indenture. Mr. Horne informed the Authority that this particular transaction presents a conflict of interest for his current law firm, Arnall Golden Gregory LLP, and reported that Mr. Jim Monacell, conflict counsel to the Authority and general counsel to the Development Authority of DeKalb County, was handling this transaction. Mr. Monacell stated that he had reviewed all documentation related to the transaction and that the Authority is ready to proceed. Upon a motion made by Mr. Bacote, which was seconded by Dr. Jolley, the Authority unanimously approved the resolution approving modification to Hidden Creste Apartments Project.

NEW BUSINESS:

Letter of Inducement and Final Bond Resolution for Robert W. Woodruff Arts Center, Inc. ("Woodruff"): Ms. Ansly Moyer of King & Spalding LLP appeared with Mr. Noel Barnes of Woodruff in connection with the request for a letter of inducement and final bond resolution for the issuance of \$70,000,000 in tax-exempt bonds. Ms. Moyer explained that the bonds will be used for the purpose of refunding the Development Authority of Fulton County Refunding Revenue Bonds (Robert W. Woodruff Arts Center, Inc. Project) Series 2009B Bonds maturing

on March 15, 2016 in the aggregate principal amount of \$57,600,000, which were issued to finance or refinance, in whole or in part, the cost of the acquisition, construction, installation and equipping of certain facilities of Woodruff. Mr. Barnes discussed the Woodruff Arts Center and highlighted that the center receives over 1.2 million visitors each year and is one of the largest arts centers in the world and the leading art museum in the Southeast. Mr. Barnes also mentioned that the Woodruff Arts Center has raised over \$52 million in endowment funds. Mr. Horne clarified that the bonds will be publicly offered. Also, Mr. Horne mentioned that Woodruff will need to return to the Authority for approval of the final interest rates on the bonds. Upon questions from the Authority regarding the size of the issuance, Ms. Moyer explained that the issuance is for an amount “not to exceed” \$70,000,000. Ms. Moyer further explained that the \$70,000,000 provides a cushion for a potential debt service account if needed and the cost of issuance. Dr. Maupin also made a request that Woodruff consider hiring minority consultants and investment advisors. Mr. Nash recommended approval of the letter of inducement and final bond resolution and commends the great accomplishments of the Woodruff Arts Center. Upon a motion by Dr. Maupin, which was seconded by Mr. Broadbent, the Authority unanimously approved the letter of inducement and for Woodruff. Upon a motion by Dr. Maupin, which was seconded by Mr. Broadbent, the Authority unanimously approved the final bond resolution for Woodruff.

Letter of Inducement for Provident Resources Group Inc. (“Two Peachtree”): Mr. Bill Holby of King & Spalding LLP appeared with Mr. Tom Green of Provident Resources Group Inc. and Ms. Amy Wilde and Mr. James Meyer of Atlantic Capital Properties in connection with the request for a letter of inducement for the issuance of \$100,000,000 in tax-exempt bonds. Mr. Holby explained that the bonds will be to acquire and renovate an existing office building located at Two Peachtree Street in Downtown Atlanta. Mr. Holby informed the Authority that the building is currently owned by the Georgia Building Authority and is in need of extensive renovations. Mr. Green elaborated on the need for renovations and stated that the building is currently a B to C class building and the intention is to bring it to an A class status. Mr. Green discussed that the project would be a great catalyst for Downtown Atlanta and would help retain over 3,000 tenants. Mr. Horne clarified that this issuance can be tax-exempt because title would be transferred to Provident Resources Group Inc.’s 501(c)(3), an entity or an affiliate 501(c)(3). Mr. Horne informed the Authority that because the building had been owned by a governmental entity, it has not been on the tax digest for many years. Mr. Horne stated that this transaction would be beneficial to Fulton County because the transfer of title from the Georgia Building Authority to the 501(c)(3) would put the building back on the tax digest. Upon questions from the Authority, Mr. Green confirmed that the State would continue to be a tenant in the building. Mr. Meyer also confirmed that they have been involved in office transactions in the past. Mr. Meyer further highlighted that their role is to lessen the burden on governments by acquiring, renovating, and managing projects or buildings that the government cannot. Upon a motion by Mr. Hodge, which was seconded by Dr. Jolley, the Authority unanimously approved the letter of inducement for Two Peachtree.

Letter of Inducement for Maple Multifamily Land SE, LP (“Trammell Crow”): Mr. Dan McRae and Mr. Chris Compton of Seyfarth Shaw LLP appeared with Mr. Elliott Howell and Mr. Beau Brandon of Trammell Crow in connection with the request for a letter of inducement for the issuance of \$111,000,000 in taxable revenue bonds. Mr. McRae explained that the bonds will be used to demolish an existing building filled with asbestos and construct a mixed use building containing retail and structured parking. Mr. McRae presented the Authority with a tax

generation model, created by national accounting firm Grant Thornton, illustrating the direct and indirect impacts of the proposed project. According to the model, during the construction period, the project is projected to create 833 jobs, an annual payroll of \$67 million, and an annual output of \$167 million. After construction, the project is projected to create 97 jobs, an annual payroll of \$4.6 million, and an output of \$10 million. After a 20 year period, the project is projected to have a total output of \$377 million, total payroll of \$160 million, and real estate property taxes totaling \$21 million. Mr. Howell explained that the mixed use development will consist of 356 rental units and over 11,000 square feet of retail space. Mr. Howell further elaborated that the project is a transit oriented property located close to a MARTA station and all the activity Midtown Atlanta has to offer. Upon questions from the Authority, Mr. Howell confirmed that the project does not get additional incentives for being a transit oriented property. Upon a motion by Dr. Maupin, which was seconded by Mr. Broadbent, the Authority unanimously approved the letter of inducement for Trammell Crow.

Letter of Inducement for WP South Acquisitions, LLC (“Wood Partners”): Mr. Dan McRae and Mr. Chris Compton of Seyfarth Shaw LLP appeared with Mr. Johnson Bazzel of Wood Partners in connection with the request for a letter of inducement for the issuance of \$96,000,000 in taxable revenue bonds to finance the development of a mixed-use project, combining a 198-unit apartment complex with approximately 2,500 square feet of street level retail located between 11th and 12th street along Dickson Place in Midtown Atlanta. Mr. McRae presented the Authority with a tax generation model, created by national accounting firm Grant Thornton, illustrating the direct and indirect impacts of the proposed project. According to the model, during the construction period the project is projected to create 833 jobs, an annual payroll of \$67 million, and an annual output of \$167 million. After construction, the project is projected to create 34 jobs, an annual payroll of \$2 million, and an output of \$4.5 million. After a 20 year period, the project is projected to have a total output of \$260 million, total payroll of \$105 million, and real estate property taxes totaling \$16.6 million. Mr. Bazzel informed the Authority that Wood Partners worked closely with the Midtown Atlanta Review Committee to ensure that the project satisfies the needs of Midtown residents. Mr. Bazzel discussed the benefits of the project including improvements to storm water drainage, beautification of street scapes, and the creation of a pedestrian path that would connect 11th and 12th street. Mr. Bazzel explained that the project will offer more three bedroom units than any other Midtown building. Mr. Nash recommended the project highlighting the need for multiple bedroom units in order to accommodate people that are moving back into the city. Upon a motion by Mr. Broadbent, which was seconded by Dr. Maupin, the Authority unanimously approved the letter of inducement for Wood Partners.

Letter of Inducement for Pollack Shores Development LLC (“Pollack Shores”): Mr. Dan McRae and Mr. Chris Compton of Seyfarth Shaw LLP appeared with Mr. Tyler Gaines of Pollack Shores in connection with the request for a letter of inducement for the issuance of \$58,500,000 in taxable revenue bonds to finance the renovation into a mixed use building. Mr. McRae explained to the Authority that the site has been vacant for over 10 years and was previously used as a detention center and storage unit for the State of Georgia. Mr. McRae presented the Authority with a tax generation model, created by national accounting firm Grant Thornton, illustrating the direct and indirect impacts of the proposed project. According to the model, during the construction period the project is projected to create 516 jobs, an annual payroll of \$41.5 million, and an annual output of \$103.7 million. After construction, the project is projected to create 60 jobs, an annual payroll of \$3 million, and an output of \$7 million. After a 20 year

period, the project is projected to have a total output of \$251 million, total payroll of \$105 million, and real estate property taxes totaling \$11.3 million. Mr. Nash recommended approval of the letter of inducement and explained the appeal of this project being a 5-story building instead of the usual high-rise. Upon questions from the authority, Mr. Gaines discussed the improvements that will be made including a connection from 15th Street to Spring Street and overall street scape improvements comprising of the addition of sidewalks, trees, and lighting. Upon a motion made by Dr. Maupin, which was seconded by Mr. Broadbent, the Authority unanimously approved the letter of inducement for Pollack Shores.

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 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 the information provided by 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. Mr. Horne explained that TPL returned to the Authority to provide more information and data after the Authority tabled the project at the Authority’s July 28, 2015 and August 25, 2015 meetings. The Authority tabled TPL because of questions regarding the tax incentives relating to the existing building and the current ad valorem tax payment on the property. 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 DISCUSSION:

South Fulton Chamber of Commerce: Mr. Walter Vincent, Ms. Jennifer Pascal, and Mr. Bryan Harper appeared in connection with the request for a donation to the South Fulton marketing guide. Ms. Pascal presented to the Authority the South Fulton marketing guide which gives a snapshot of the community, updated website, site selection information for developers, and tour information of South Fulton. Ms. Pascal stated that the guide highlights all the good things that are happening in South Fulton, including the airport expansion and Tyler Perry’s movie studios. Upon questions from the Authority, Ms. Pascal confirmed that the request is for an increased amount than the prior contribution given in 2012 and that Chattahoochee Hills and City of Hapeville are also funding the guide. After discussion from the Authority, the Authority requested that South Fulton Chamber of Commerce provide a list of all the financial donors of the guide and return after the additional information had been provided.

ITEMS FOR APPROVAL:

Inducement Resolution for Mercedes-Benz USA, LLC (“Mercedes”) REBA Grant: Ms. Zayac explained to the Authority that the Authority has been awarded a \$6 million REBA state grant for the benefit of the Mercedes relocation project. Mr. Nash recommended approval of the resolution. Upon a motion made by Dr. Maupin, which was seconded by Dr. Jolley, the Authority unanimously approved the resolution approving the REBA grant for Mercedes.

Minutes. The minutes from the Regular Monthly Meeting held on August 25, 2015 were presented to the Authority for approval. Upon a motion made by Dr. Jolley, which was seconded by Mr. Metze, the Authority unanimously approved the minutes of August 25, 2015, as presented.

NEXT MEETING:

Chairman Shaw announced that the next Regular Meeting will be held on Wednesday, October 21, 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