

**DEVELOPMENT AUTHORITY OF FULTON COUNTY
REGULAR MEETING HELD ON
TUESDAY, APRIL 26, 2016 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
Mr. Walter Metze – Treasurer
Mr. Sam Bacote – Board Member
Mr. Steve Broadbent – 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 and Ms. Sabrina Kirkland, staff of the Authority were also present.

The meeting was called to order by Chairman Shaw.

RECOGNITION OF VISITORS: Also present were Commissioner Liz Hausmann, Mr. Edward Leidelmeijer of Commissioner Hausmann’s office, Ms. Harriett Thomas of Commissioner Morris’ office, Mr. Michael Hightower and Ms. Lauren Blaszyk of the Collaborative Firm, Mr. Jim Stevens of On-Call Accounting, Ms. Kim Melhouse of Tiernan & Patrylo, Inc., Mr. Abdul Labi and Mr. Michael Scott of the Branch Banking and Trust Company, and Ms. Shelby Uribe of Arnall Golden Gregory LLP.

OLD BUSINESS:

Final Bond Resolution for 811 Peachtree, LLC (“811 Peachtree”): Mr. Will Pickens of Sutherland Asbill & Brennan LLP appeared in connection with the request for a final bond resolution for the issuance of \$116,000,000 in taxable revenue bonds for the development of a mixed use project to be called EVIVA Peachtree. 811 Peachtree intends to develop and transform an underutilized surface parking lot into a mixed use development composed of 383 competitively priced rental units, a wrapped parking structure in a 32-story high rise building, and 22,000 square feet of ground floor retail to be located at 811 Peachtree Street NE, at the intersection of 6th Street NE and Peachtree Street NE along the Midtown Mile. Mr. Nash recommended approval of the bond resolution. Upon a motion made by Mr. Broadbent, which was seconded by Mr. Bacote, the Authority unanimously approved the final bond resolution for 811 Peachtree.

Final Bond Resolution for Grant Park Venture Partners, LLC (“Grant Park Venture”): 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 \$50,000,000 in taxable revenue bonds for the development of a midrise multi-family project to be located at 465 Memorial Drive in the Grant Park Neighborhood of Fulton County. Mr. McRae stated that the project will consist of 238

residential units and a parking deck with approximately 328 spaces. Mr. McRae informed the Authority that in order to meet the neighborhood's needs, Grant Park Venture will be incurring additional costs estimated at close to \$1.8 million. These extra costs include, (a) the addition, at the request of the Grant Park Neighborhood Association, of traditional Grant Park herringbone pavers throughout the Project, (b) the conversion of Loomis Street from a one-way to a two-way street, and (c) the inclusion of 50 spaces in the parking deck available to the public, and (d) the creation of on-street parking on three of the four sides of the project to alleviate the "parking crisis" in Grant Park. Mr. McRae informed the Authority that community input has been a major factor in the configuration and design of this project so that it will not "overshadow" the adjacent historic single-family neighborhood. Mr. Nash recommended approval of the project. Upon a motion made by Ms. Page, which was seconded by Mr. Metzke, the Authority unanimously approved the final bond resolution for Grant Park Venture.

NEW BUSINESS:

Letter of Inducement for Hanover R.S. Limited Partnership (7th Avenue/881 Peachtree Project) ("Hanover"): Mr. Dan McRae and Mr. Chris Compton of Seyfarth Shaw LLP and Mr. Adam Harbin of The Hanover Company appeared in connection with the request for a letter of inducement for the issuance of \$146,000,000 in taxable revenue bonds for the development of a mixed-use project to be located at 881 Peachtree Street in Midtown Atlanta. Mr. Harbin stated that the project includes an approximately 44,000 square foot, Class-A, technology oriented office building with approximately 11,000 square feet of retail and 342 apartments. Mr. Harbin explained that the project will be positioned to attract a variety of tenants, including the "TAMI" sector, or technology, advertising, media and information companies and others complementing recent trends in Midtown. The 342 residential rental units will consist of 198 one-bedroom apartments, 140 two-bedroom apartments and 4 three-bedroom units. The project will also include a parking deck with 564 total spaces with 50 spaces available to the retail portion of the project. Mr. Harbin informed the Authority that Hanover has partnered with The Loudermilk Companies for the retail and office components of the project. Mr. McRae stated that the Atlanta Midtown Development Review Committee has expressed their support for the project and commended the quality of the overall design and integrated building program. Mr. Nash discussed that over \$1.5 million worth of system improvements will be made and that approximately 20% of the units in the project will be affordable to a household earning less than 130% of AMI, which is within the range considered workforce housing by the Urban Land Institute. Mr. Nash recommended approval of the project. Upon questions from the Authority, Mr. Harbin confirmed Hanover is dedicated to the utilization of minority contractors and that the 10% goal has been met in past projects. The Authority commended Hanover for their informative presentation materials and commitment to affordability. Upon a motion made by Mr. Bacote, which was seconded by Ms. Page, the Authority unanimously approved the letter of inducement for Hanover.

Letter of Inducement for P3 Venture, LLC ("P3 Venture"): Mr. Dan McRae and Mr. Chris Compton of Seyfarth Shaw LLP and Mr. Bruce Fernald and Mr. Josh Herndon of JPX Works, LLC appeared in connection with the request for a letter of inducement for the issuance of \$50,000,000 in taxable revenue bonds for the development a mixed-use project to be located at 693 Peachtree Street in Midtown Atlanta. The Project is an architecturally significant 24-story apartment building with 147 residences and 4,000 square feet of ground level retail space. The 147 residential rental units will consist of 60 one-bedroom apartments, 37 one-bedroom plus den apartments, 46 two-bedroom apartments, and 4 two-bedroom plus den apartments. The project

plans also include a massive public art installation that will transform the existing 3rd Street parking deck and additional art installations in the restaurant and residential lobby that front Peachtree Street. Mr. Herndon informed the Authority that the project site is across Peachtree Street from the Fox Theater and is presently home to an abandoned building that once housed Agatha's Mystery Dinner Theater. The building has been vacant for more than a decade and the site was listed in the February 2015 issue of Atlanta Magazine as one of Atlanta's six most prominent eyesores. Mr. Herndon explained that most of the site's constraints relate to the fact that it is less than 1/3 of an acre in size, which significantly limits development options, greatly increases construction costs and impedes operational efficiency. The site's dimensions do not allow for the construction of a functional parking structure. As a result, an off-site parking solution is needed and has been addressed by securing a perpetual easement for 193 spaces in the adjacent parking deck controlled by the owner of the Georgian Terrace Hotel. Mr. Herndon informed the Authority that the Midtown community has expressed strong support of this project. In fact, Midtown Alliance sent the Authority a letter of support for the inducement of this project. Mr. McRae stated that the Project will contain 16 units, or 11% of the total unit count, that will be affordable to a household earning between 120% and 150% of AMI, which is within the range considered workforce housing by the Urban Land Institute. Upon questions from the Authority, Mr. Herndon confirmed that the building will have amenities including a fitness room, pool, sundeck, and resident lounge. Mr. Herndon also confirmed that the modern design of the building in a historic neighborhood is being embraced by neighbors and the community. Mr. Nash recommended approval of the project. Upon a motion made by Mr. Broadbent, which was seconded by Ms. Page, the Authority unanimously approved the letter of inducement for P3 Venture.

Letter of Inducement for The Loudermilk Companies ("Loudermilk"): Mr. Dan McRae and Mr. Chris Compton of Seyfarth Shaw LLP, Mr. Hardman Knox of Knox Properties, LLLP and Mr. Brian Lu of Loudermilk appeared in connection with the request for a letter of inducement for the issuance of \$42,000,000 in taxable revenue bonds for the renovation of an office building located at 309 East Paces Ferry Road ("309 East Paces"). Mr. Knox explained that the plan is to renovate 309 East Paces so that it can attract new tenants/employers. Mr. Knox informed the Authority that the building was originally built in 1963, and it has become a relative eyesore and not befitting from the recent redevelopment in the Buckhead Village. Mr. Lu explained that renovation will include significant improvements to the exterior areas providing much-needed public gatherings spaces to the area and new retail store frontage, which will improve the pedestrian experience along East Paces Ferry Road and North Fulton Drive. Additional exterior improvements to the building's exterior will include an entirely new building skin (new glazing on the windows and the addition of brick and brick-like materials on the facade), new interior common spaces and improvements, including a renovated lobby, elevator cabs, restrooms, and corridors, new tenant spaces throughout the building, as well as improvements to the existing parking structure. 309 East Paces will be positioned to attract a variety of tenants, including the "TAMI" sector, or technology, advertising, media and information companies and others complementing recent trends in Buckhead. Upon questions from the Authority, Mr. Lu confirmed that the building is currently vacant and that system improvements will include a new HVAC and plumbing system. Mr. Lu also confirmed that the utilization of minority contractors is of great importance to Loudermilk. Mr. Lu stated that Loudermilk hopes to close this transaction July 31, 2016 and start renovations August 1, 2016. Mr. Nash recommended approval of the project. Upon a motion made by Mr. Hodge, which was seconded by Mr. Bacote, the Authority unanimously approved the letter of inducement for Loudermilk.

Letter of Inducement for Noble Hospitality Fund III Acquisitions, LLC and UGP-53 Fourteenth Street, LLC (“Noble”): Ms. Caryl Smith of Hunton & Williams LLP and Mr. Ben Brunt of Noble Investments appeared in connection with the request for a letter of inducement for the issuance of \$60,000,000 in taxable revenue bonds for the development of a 288-key dual branded AC Hotel by Marriott and MOXY by Marriott to be located at 53 14th Street in Midtown Atlanta. The project site is currently a 180-space surface parking lot. The plans for the development include Noble developing a six-story, 300-space parking garage, underneath the hotel. Noble plans to develop the five-story hotel structure on top of the garage structure, as well as a deck-top amenity level to include outdoor bar, pool, meeting spaces, and fitness facility. Mr. Brunt informed the Authority that Noble has received its recommendation from the Midtown Alliance. The Midtown Alliance recommendation required that Noble develop a public walk, running north/south, that connects 14th Street to 13th Street so that pedestrians won’t have to walk a significant distance from W. Peachtree to Crescent. The cost of creating the public walk has increased Noble’s project costs by \$3,000,000. The eventual goal of the public walk is to have an arts walk connection that begins at the Woodruff Arts Center at 15th Street and runs south to the 10th Street MARTA station. Upon questions from the Authority, Mr. Brunt confirmed that there is no housing component included in the project, but that the hotel will contain a restaurant, lounge and meeting space. Mr. Brunt explained that the project is targeting Millennials at an affordable boutique hotel price point. Mr. Nash stated that the hotel and parking operation is expected to create 75 new full time jobs post completion. Mr. Nash recommended approval of the project. Upon a motion made by Mr. Broadbent, which was seconded by Ms. Page, the Authority unanimously approved, with the exception of Mr. Bacote, the letter of inducement for Noble.

ITEMS FOR APPROVAL:

Minutes. The minutes from the Regular Monthly Meeting held on March 22, 2016 were presented to the Authority for approval. Upon a motion made by Mr. Bacote, which was seconded by Ms. Page, the Authority unanimously approved, the minutes as presented.

ITEMS FOR DISCUSSION:

South Fulton Economic Development Partnership Update: Mr. Michael Hightower and Ms. Lauren Blasyzyk of the Collaborative Firm provided an update on South Fulton County’s activities and meetings with each of the cities’ mayors. Ms. Blasyzyk informed the Authority that after several meetings with the mayors of the cities of South Fulton, the mayors agreed that they liked the umbrella organizational name of “Connect South Fulton” and the tag line “ATL’s Gateway to Opportunity”. The mayors believed that it is important to tie South Fulton to Atlanta. The Authority commended Mr. Hightower and Ms. Blasyzyk for their hard work and stated that working together is important in order to accomplish our mutual goals.

Governmental Accounting Standards Board (“GASB”) Rule 77: Mr. Horne provided the Authority with a brief update regarding a strategy to respond to GASB 77 disclosure requirements.

JDAMA Meeting: The next JDAMA meeting will take place at 11:00 a.m. on May 12, 2016 at the Douglasville Conference Center located at 6700 Church Street, Douglasville, GA 30134.

NEXT MEETING:

Chairman Shaw announced that the Authority's next Regular Meeting will be held on Thursday, May 26, 2016, 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