

**DEVELOPMENT AUTHORITY OF FULTON COUNTY
REGULAR MEETING HELD ON
THURSDAY, MAY 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
Dr. Samuel D. Jolley, Jr. – Secretary
Mr. Walter Metze – Treasurer
Mr. Sam Bacote – Board Member
Mr. Penn Hodge – 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.

RECOGNITION OF VISITORS: Also present were Commissioner Liz Hausmann, Mr. Edward Leidelmeijer of Commissioner Hausmann’s office, Ms. Harriett Thomas of Commissioner Morris’ office, Ms. Kim Melhouse of Tiernan & Patrylo, Inc., and Ms. Shelby Uribe of Arnall Golden Gregory LLP.

OLD BUSINESS:

Modification of YMCA of Metro Atlanta Series 1995, 1997, and 2013 Bonds (“YMCA”): Mr. Bill Holby of King & Spalding LLP appeared in connection with the request for a modification of the YMCA of Metro Atlanta Series 1995, 1997, 2013 bonds issued by the Authority. Mr. Holby informed the Authority that BB&T holds the 1995, 1997, and 2013 bond issues and that BB&T has had negotiations with the YMCA to change certain dates, interest rates, and covenants. Mr. Holby stated that the proposed changes are very modest. With regard to the 1995 and 1997 issues, the interest rates will be increased by five basis points. The interest rate of the 2013 issue will be reduced by five basis points. Mr. Nash recommended approval. Upon a motion by Dr. Jolley, which was seconded by Mr. Metze, the Authority unanimously approved the modification for YMCA.

Final Bond Resolution for P3 Venture, LLC (“P3 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 mixed-use project to be located at 693 Peachtree Street in Midtown Atlanta. The Project will be an architecturally significant 24-story apartment building with 147 residences and 4,000 square feet of ground level retail space. 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. McRae 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 and has been vacant for more than a decade. Mr. McRae stated that the Midtown community has expressed strong support of this project. Mr. Nash recommended approval of the project. Upon a motion made by Mr. Bacote, which was seconded by Mr. Hodge, the Authority unanimously approved the final bond resolution for P3 Venture.

Final Bond Resolution for Seventh and Peachtree Midtown Apartments LLC (Induced as Hanover R.S. Limited Partnership) ("Seventh and Peachtree"): 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 \$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. McRae 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. McRae 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 project will also include a parking deck with 564 total spaces with 50 spaces available to the retail portion 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 in system improvements will be made, including improvements to storm water drainage and streetscapes, 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 a motion made by Dr. Jolley, which was seconded by Mr. Bacote, the Authority unanimously approved the final bond resolution for Seventh and Peachtree.

Final Bond Resolution for 309 East Paces Ferry, LLC (Induced as The Loudermilk Companies) ("309 East Paces Ferry"): 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 \$42,000,000 in taxable revenue bonds for the renovation of the Aaron Rents office building located at 309 East Paces Ferry Road ("309 East Paces"). Mr. McRae explained that the plan is to renovate 309 East Paces so that it can attract new tenants/employers. Mr. McRae informed the Authority that the building was originally built in 1963, is currently vacant, and has become a relative eyesore and not befitting from the recent redevelopment in the Buckhead Village. Mr. McRae explained that the 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 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. Mr. Nash recommended approval of the project. Upon a motion made by Mr. Bacote, which was seconded by Dr. Jolley, the Authority unanimously approved the final bond resolution for 309 East Paces Ferry.

NEW BUSINESS:

Letter of Inducement for Kaplan Residential, LLC (377 Centennial Park) (“Kaplan”): Mr. Dan McRae and Mr. Chris Compton of Seyfarth Shaw LLP and Mr. Nathan Kaplan of Kaplan appeared in connection with the request for a letter of inducement for the issuance of \$75,000,000 in taxable revenue bonds for the development of a multi-family project to be located at 377 Centennial Drive (“377 Centennial”) in Downtown Atlanta. Mr. Kaplan explained that 377 Centennial will consist of approximately 300 units in an epicore and light steel structure over three levels of podium parking. The site for 377 Centennial is currently an undeveloped, overgrown vacant lot. Additionally, Mr. Kaplan explained that the site faces a number of economic challenges. The project site is environmentally contaminated, the present storm water system is antiquated, the soil is loose, and a significant portion of the site is restricted to use as a fire access lane. Mr. McRae informed the Authority that Kaplan will affordably price at least 5% of the total number of rental units for workforce housing, specifically households earning 120% or less of the area median income. Mr. Kaplan explained that providing workforce housing at 377 Centennial comes at a significant cost to Kaplan. Mr. Kaplan stated that multi-family buildings typically require 200 or more units to be economically viable, with most developers underwriting between 300 and 400 units to realize efficiency gains. The purchase contract for the site of 377 Centennial includes an out-of-market price escalation clause of \$5,000 per apartment unit in excess of 230 units. In order to incorporate workforce housing at 377 Centennial, Kaplan will have to increase the density of the project by 100 units at an additional cost of \$500,000. Upon questions from the Authority, Mr. McRae confirmed that the project site is not located in a tax allocation district. Mr. Nash recommended approval of the project. Upon a motion made by Mr. Hodge, which was seconded by Dr. Jolley, the Authority unanimously approved the letter of inducement for Kaplan.

Letter of Inducement for MCRT Investments, LLC (Modera Buckhead) (“MCRT Investments”): Mr. Bill Holby of King & Spalding LLP and Mr. Chad DuBeau and Mr. Harvey Wadsworth of MCRT Investments appeared in connection with the request for a letter of inducement for the issuance of \$144,000,000 in taxable revenue bonds for the development of Modera Buckhead, a residential and retail mixed-use project. Mr. Wadsworth explained that the project will consist of approximately 399 residential rental units, 20,000 square feet of retail space, and a parking deck with approximately 670 spaces to be located at 3005 Peachtree Road in Buckhead. To develop this project, the company will incur extraordinary costs, including the removal of unsightly overhead powerlines along Peachtree Street and Pharr Road at a cost of \$2.2 million, replacement of existing storm water pipe at a cost of \$190,000, and the installation of a public art installation to cover the parking deck elevation at a cost of \$500,000. Mr. Wadsworth also explained that in order to enhance the neighborhood and develop viable and marketable retail, a portion of the parking deck needs to be below ground which comes at an additional estimated cost of \$2.3 million. Mr. DuBeau informed the Authority that MCRT Investments will commit to providing pricing targets that will assure that at least 10% of the homes in the project will be affordable to a household earning less than 130% of the area median income, which is within the range identified as “workforce housing” by the Urban Land Institute. The development of this project is estimated to create 100 retail jobs, 10 management jobs, and 500 construction jobs. 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 MCRT Investments.

Letter of Inducement for Peachtree Battle Associates, LP (“Peachtree Battle”): Mr. Woody Vaughan and Mr. David Stevens of Holland & Knight LLP and Mr. Jack Haylett and Mr. Nicholas Telesca of Branch Properties appeared in connection with the request for a letter of inducement for the issuance of \$79,000,000 in taxable revenue bonds for the development of a mixed-use residential and retail project to be located on the southeast corner of Peachtree Road and Terrace Drive. The 15-story project will contain approximately 250 residential rental units, 15,000 square feet of ground floor retail/restaurant space, and a 5-story parking deck. Mr. Telesca explained that the project will constitute an expansion of the Peachtree Battle Shopping Center and will provide an on-site residential component as part of an overall mixed-use community. Mr. Telesca informed the Authority that Branch Properties received extensive community input while designing the project. Mr. Telesca stated that the project site was zoned for 400,000 square feet and Branch Properties decided to downsize the project to 260,000 square feet due to the community’s concern about increased traffic. Mr. Haylett explained that although not required by code to do so, Branch Properties has voluntarily set the project back 20 feet from Peachtree Road in order to allow for generous sidewalks, street furniture, a MARTA bus stop, and significant streetscape and traffic improvements. Mr. Haylett also informed the Authority that the project will incur significant costs in order to save the facade of the existing Peachtree Battle Antiques building, formerly the National Library Book Bindery. Mr. Haylett stated that Peachtree Battle will be a long-term investment for the company and they are incurring significant extra costs in order to have a project with substantial architectural significance. The design of the building includes timeless classical references to Atlanta buildings such as Brookwood Station on Peachtree Road and the Macy’s building downtown. Mr. Telesca informed the Authority that Peachtree Battle has entered into a partnership with E. Rivers Elementary School to set aside five of its residential units for E. Rivers teachers and administrators. Mr. Nash recommended approval of the project and commended Branch Properties for working closely with the community and Atlanta City Councilmember Howard Shook. Upon a motion made by Mr. Hodge, which was seconded by Mr. Metze, the Authority unanimously approved the letter of inducement for Peachtree Battle.

Letter of Inducement for JH Holdings, Inc. and Buckhead Place Hotel Company, LLC (“JH Holdings and Buckhead Place”): Mr. Woody Vaughan of Holland & Knight LLP and Mr. John Lundeen and Ms. Patricia Pearlberg of CORO Realty Advisors, LLC (“CORO”) and Mr. Greg Henderson and Mr. Jim Coyle of the McKibbon Hospitality Group (“McKibbon”) appeared in connection with the request for a letter of inducement for the issuance of \$90,125,000 in taxable revenue bonds for the development of a hotel, retail, and office mixed-use project. Mr. Vaughan explained that project will be divided into two phases. Mr. Lundeen explained that phase one will consist of the development of an approximately 186 room Hampton Inn and Suites. Phase two of the project will consist of the development of an approximately 125 room extended stay hotel, 20,000 square feet of retail space, 110,000 square feet of office space, and a parking deck with approximately 704 spaces. Mr. Lundeen explained that their team has worked closely with the Buckhead Community Improvement District and the decision was made to voluntarily set the project back 20 feet to accommodate future road improvements and improve traffic management on Piedmont Road. Mr. Lundeen informed the Authority that the envisioned retail and restaurants will be moderately priced to keep with the current tenant base. Mr. Henderson provided the Authority with a brief background of McKibbon. Mr. Henderson stated that McKibbon is a large regional hotel company with corporate offices in Gainesville, GA and Tampa, FL and its portfolio is comprised of over 85 hotels. Mr. Vaughan informed the Authority that CORO has met with its general contractors and confirmed that they will develop an MFBE

plan and comply with the Authority's MFBE policy. Mr. Vaughan stated that the project is expected to create approximately 100 full-time jobs, 50-part time jobs, and 500 to 600 construction jobs. Mr. Nash recommended approval of the project. Upon a motion made by Mr. Hodge, which was seconded by Mr. Metz, the Authority unanimously approved the letter of inducement for JH Holdings and Buckhead Place.

Letter of Inducement for PPF AMLI Market Street, LLC ("AMLI Market Street"): Mr. Woody Vaughan of Holland & Knight LLP and Mr. Fred Schreiber of AMLI Residential Partners, LLC appeared in connection with the request for \$90,000,000 in taxable revenue bonds for the development of a mixed-use project on the parcel known as M-3 within the Atlantic Station development located at the corner of Market Street and Tower Street in the West Midtown neighborhood of Atlanta. Mr. Schreiber explained that AMLI Market Street's conceptual design includes a 10-story midrise building with approximately 375 residential rental units, 37,000 square feet of retail space, and a parking deck with approximately 600 spaces. Mr. Schreiber informed the Authority that the 37,000 square feet of retail space was not part of the original development plan and is actually a collaborative effort with the new owner of Atlantic Station retail to energize Market Street and allow for the continued expansion of retail offerings in order to create a walk friendly environment at Atlantic Station. Mr. Vaughan stated that the development of this project will create approximately 100 full-time jobs and 500 construction jobs and increase the current property tax revenues of the site by 86 times. Mr. Nash recommended approval of the project. Upon a motion made by Mr. Hodge, which was seconded by Dr. Jolley, the Authority unanimously approved the letter of inducement for AMLI Market Street.

Letter of Inducement for PPF AMLI Oak Valley Road, LLC ("AMLI Oak Valley Road"): Mr. Woody Vaughan of Holland & Knight LLP and Mr. Fred Schreiber of AMLI Residential Partners, LLC appeared in connection with the request for \$120,000,000 in taxable revenue bonds for the development of the final two parcels of the CityPlace Buckhead master plan located near the corner of East Paces Ferry Road and Roxboro Road in Buckhead. The Authority approved the final bond resolution for the first two parcels of CityPlace in February 2014. Mr. Schreiber explained that AMLI Oak Valley Road's conceptual design for the remaining two parcels calls for two distinct and independently operated developments, Blocks B and C, and the extension of the Marie Sims Park into a paseo separating the parcels. Mr. Schreiber informed the Authority that Block B will contain a 22-story high rise composed of 385 units and a parking deck with approximately 482 spaces. Block C will contain a 5-story midrise building consisting of approximately 275 units and a parking structure with approximately 412 spaces. Mr. Schreiber explained that the Marie Sims Park is a unique amenity that connects all four CityPlace parcels and is open for public enjoyment. The Marie Sims Park also serves as an important water detention structure for the community. Mr. Vaughan stated that AMLI Oak Valley Road has committed to a workforce housing action plan in which the company commits that the rental rates of not less than 5% of the rental units will be leased and made available to households earning between 61% and 105% of the area median income. Mr. Nash recommended approval of the project. Upon a motion made by Mr. Bacote, which was seconded by Mr. Hodge, the Authority unanimously approved the letter of inducement for AMLI Oak Valley Road.

ITEMS FOR APPROVAL:

Minutes. The minutes from the Regular Monthly Meeting held on April 26, 2016 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 as presented.

ITEMS FOR DISCUSSION:

2016 Budget: The Authority's 2016 budget will be presented at the June 28, 2016 meeting.

2015 Building Activity Report: Chairman Shaw distributed the 2015 Building Activity Report to the Authority for review.

NEXT MEETING:

Chairman Shaw announced that the Authority's next Regular Meeting will be held on Tuesday, June 28, 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