

**DEVELOPMENT AUTHORITY OF FULTON COUNTY  
REGULAR MEETING HELD ON  
TUESDAY, JANUARY 24, 2017 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. Penn Hodge – Vice Chairman  
Dr. Samuel D. Jolley, Jr. – Secretary  
Mr. Walter Metze – Treasurer  
Dr. Michael Bell – Board Member  
Mr. Steve Broadbent – Board Member  
Ms. Sam Bacote – Board Member  
Ms. Regina Page – Board Member  
Ms. Sarah Cash – Board Member

Also present were Mr. Al Nash, Executive Director, Ms. Sandra Z. Zayac and Ms. Shelby Uribe, attorneys for the Authority, Mr. Samir Abdullahi, 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 Liz Hausmann, Mr. Edward Leidelmeijer and Mr. Michael O’Conner of Commissioner Hausmann’s office, Fulton County Chief Strategy Officer Ms. Anna Roach, Ms. Dorsha Dawkins of Commissioner Arrington’s office, and Mr. Mark Niese of the Atlanta Journal Constitution.

**OLD BUSINESS:**

**Final Bond Resolution for The Kroger Co. (“Kroger”):** Mr. Bill Holby of King & Spalding LLP appeared in connection with the request for a final bond resolution for the issuance of \$34,000,000 in taxable revenue bonds for the development of an approximately 82,000 square foot Kroger grocery store, fuel center, and parking lot to be located at the Northside Drive and the 17<sup>th</sup> Street intersection in Atlanta’s Westside neighborhood. Mr. Holby informed the Authority that the interest rate on the bonds will be 4% and the bonds will mature in 2028. Mr. Holby confirmed that all of the bond documents have been reviewed and finalized. Mr. Nash recommended approval of the project. Upon a motion made by Dr. Jolley, which was seconded by Mr. Broadbent, the Authority unanimously approved the final bond resolution for Kroger.

**Final Bond Resolution for 371 East Paces, LLC (The Loudermilk Companies) (“371 East Paces”):** 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 \$56,000,000 in taxable revenue bonds for the development of a Class A medical office building to be located at 371 East Paces Ferry Road in the Buckhead Village. Mr. McRae explained that the project will consist of an 8-story building featuring approximately 107,239 square feet of medical office space and 486

parking spaces. Complementing the medical office space will be 12,808 square feet of ground floor retail facing East Paces Ferry Road. Mr. McRae explained that access to healthcare services is currently an issue for the residents of Buckhead and is much needed. 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 final bond resolution for 371 East Paces.

Final Bond Resolution for 14th Street Peachtree Phase II Holdings, LLC (Related Development, LLC) (“14th Street Peachtree Phase II”): 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 \$34,500,000 in taxable revenue bonds for the development of a 70,000 square foot, multi-level, organic grocery store to be located in Midtown Atlanta at the intersection of 14th, West Peachtree, and Spring Streets. Mr. McRae stated that the organic grocery store will also feature an approximately 5,000 square foot pub and a 4,000 square foot cooking school. Mr. McRae informed the Authority that 14<sup>th</sup> Street Phase II is incorporating a number of system improvements in connection with the project including a portion of the residential garage façade will consist of a massive art wall with a mural designed by a local artist, 13<sup>th</sup> Street will be converted from a one-way to a two-way street, construction of three levels of underground parking, and the installation of sidewalks, pavers, street trees, decorative lighting and outdoor furniture available to the public. Mr. Nash recommended approval of the project. Upon a motion made by Mr. Broadbent, which was seconded by Dr. Jolley, the Authority unanimously approved the final bond resolution for 14th Street Peachtree Phase II.

#### NEW BUSINESS:

Letter of Inducement and Final Bond Resolution for Georgia Tech Foundation, Inc. (“Georgia Tech”): Mr. Ryan Pratt of King & Spalding LLP and Mr. Robert Langston of Georgia Tech appeared in connection with the request for a letter of inducement and final bond resolution for the issuance of \$35,000,000 in revenue bonds to refund a SunTrust Bank loan incurred in connection with the acquisition of real property located at 817 West Peachtree Street and known as “The Biltmore”. Mr. Pratt informed the Authority that The Biltmore is located adjacent to Georgia Tech’s campus. Mr. Pratt confirmed that the bonds issued will be taxable because The Biltmore’s tenants are currently using the space and will continue doing so for the near future. Mr. Pratt explained that the supplemental bond resolution and supplemental trust indenture provide that the bonds will not exceed \$37,450,000, a 7% interest rate, and a term of 40 years. Mr. Pratt stated that Barclays will serve as underwriter and US Bank will serve as trustee for this transaction. Mr. Pratt informed the Authority that the bonds will price in late February and that Georgia Tech will return to the Authority for approval after pricing. Upon questions from the Authority, Mr. Langston confirmed that Georgia Tech intends to maintain The Biltmore’s current tenants, but acknowledged that the building has future development potential. Mr. Langston also confirmed that The Biltmore is designated as a historic building. Mr. Pratt stated that he would determine what amount of the building has future development potential and provide the Authority with the information. Mr. Pratt confirmed that Barclays will sell the bonds to the public. Mr. Nash recommended approval of the project. Upon a motion made by Dr. Bell, which was seconded by Dr. Jolley, the Authority unanimously approved the letter of inducement for Georgia Tech. Upon a motion made by Mr. Broadbent, which was seconded by Ms. Page and Mr. Metze, the Authority unanimously approved the final bond resolution for Georgia Tech.

Letter of Inducement for BR Vickers Roswell, LLC (“BR Vickers”): Mr. Andrew Egan of Kutak Rock LLP, Mr. Matt Prince of TPA Group, LLC, Mr. Miller Lowry and Mr. Scott Laney of

Miller Lowry Developments, LLC and Mr. Beau King of Kim King Associates, LLC appeared in connection with the request for \$32,000,000 in revenue bonds for the development of an approximately 80-unit boutique mixed-use multifamily and retail project known as “Vickers”. Mr. Egan informed the Authority that BR Vickers has assembled four parcels of land aggregating approximately 2.01 acres located at the corner of Canton Street and Woodstock Road in downtown Roswell. Mr. Egan explained that the project would also include approximately 7,800 square feet of ground floor retail space. Mr. Egan informed the Authority that BR Vickers has worked in concert with the local community and provided the Authority with a letter of support from Roswell Inc. Upon questions from the Authority, Mr. Egan explained that the project will be composed of two buildings separated by a road that was required by the City of Roswell at the expense of BR Vickers. Mr. Lowry confirmed that it took approximately 50 meetings with the City of Roswell to get this project approved. Mr. Lowry also confirmed that there will be approximately 80 rental units and that the rental rate has not yet been determined. Nash mentioned that the project site was formerly an abandoned service station with environmental contamination and the development of this project will be a big win for the community. Mr. Nash recommended approval of the project and commended BR Vickers for their hard work. Upon a motion made by Mr. Hodge, which was seconded by Ms. Page, the Authority unanimously approved the letter of inducement for BR Vickers.

Letter of Inducement for Sonoco D&P, LLC (“Sonoco”): Mr. Nedom Haley of Baker, Donelson, Bearman, Caldwell & Berkowitz, PC and Mr. Jack Dague of Sonoco appeared in connection with the request for \$20,000,000 in revenue bonds to finance the development of manufacturing operations for the packaging of Duracell batteries and other products with approximately 11 production lines to be located at 5000 Bohannon Road, Building B, in the City of Fairburn. Mr. Haley informed the Authority that Sonoco has been awarded a contract with Duracell to package their batteries and production is expected to begin this April. The packaging will consist of blister packs, cartons, bulk packaging, and purchase displays for stores. Mr. Dague explained that Sonoco was awarded the contract in part because its location in Fulton County is in close proximity to Duracell’s manufacturing plants located in LaGrange, Georgia and in Tennessee. Mr. Dague confirmed that Sonoco currently has 600 employees at its Fairburn facility and expects to create approximately 130 new jobs with full benefits packages and approximately 400 part time jobs via temporary agencies with this new expansion. Mr. Nash recommended approval of the project and stated that the project is great for the City of Fairburn’s future. Mr. Nash acknowledged that Sonoco has its choice of where to expand and Fulton County is fortunate to have them as a corporate citizen. Upon questions from the Authority, Mr. Dague confirmed that Sonoco works in concert with local technical colleges to find new skilled employees. Upon a motion made by Mr. Broadbent, which was seconded by Dr. Jolley, the Authority unanimously approved, with the exception of Dr. Bell, the letter of inducement for Sonoco.

Letter of Inducement for Sysco Atlanta, LLC (“Sysco Atlanta”): Mr. Ben Brooks of Smith, Gambrell & Russell, LLP and Mr. Mark Zucker, CFO of Sysco Atlanta, appeared in connection with the request for \$56,000,000 in revenue bonds for the expansion of its current distribution center located at 2225 Riverdale Road in the City of College Park. Mr. Zucker informed the Authority that the existing distribution center is a 562,000 square foot building located on 51 acres of land and employs more than 730 individuals at an average annual wage of \$70,000. Mr. Zucker stated that the existing facility was built in 1971 and does not have the most efficient floorplan for the company’s operations. Mr. Zucker stated that the proposed expansion would add a 19,000 square foot vehicle maintenance facility, 57,000 square feet of freezer space, and

26,000 square feet of cold dock space. Mr. Zucker informed the Authority that the project would retain more than 730 jobs and create 100 new jobs with an average expected annual salary of \$70,000 and 80 peak construction jobs. Upon questions from the Authority, Mr. Nash and Ms. Zayac confirmed that the Authority would take title to the entire facility, but that the incentive would only be on the expansion of the facility and the equipment. Ms. Zayac confirmed that Sysco Atlanta would not pay less in ad valorem taxes than what it is currently being paid for the existing facility. Mr. Zucker confirmed that Sysco Atlanta is the owner of the existing facility. Mr. Nash recommended approval of the project and commended Sysco Atlanta for being a great corporate citizen. Mr. Nash informed the Authority that Sysco Atlanta has the option to relocate and that it is important that we keep them in Fulton County. Upon a motion by Mr. Hodge, which was seconded by Mr. Broadbent, the Authority unanimously approved the letter of inducement for Sysco Atlanta.

Letter of Inducement for NP 15<sup>th</sup> Street, LLC (“NP 15<sup>th</sup> Street”): Mr. Jim Woodward of Gray Pannell & Woodward LLP and Mr. Jay Patel and Mr. Ed Stelling of NP 15th Street, LLC appeared in connection with the request for \$51,500,000 in revenue bonds for the development of an upscale 20-story urban high-rise Hampton Inn & Suites Hotel by Hilton in Midtown Atlanta. Mr. Patel informed the Authority that the hotel will consist of a lobby at grade level, 95 valet parking spaces on levels 2 to 7, 188 guest rooms on levels 8 to 19, and a 57-seat breakfast area, bar/lounge, terrace, meeting space, and fitness facility on the 20<sup>th</sup> floor. Mr. Patel explained that the goal of this project is to bring one of the world’s best known hotel brands to the dynamic Midtown Atlanta market while offering the amenities and service demanded by business and leisure travelers to the area at a price point that makes Midtown Atlanta accessible to a wide variety of visitors. The project is expected to create approximately 75 permanent jobs and 300 construction jobs. Mr. Patel informed the Authority that NP 15<sup>th</sup> Street’s affiliate company, Northpoint Hospitality Group, Inc. (“Northpoint”), is headquartered in Atlanta and has owned and operated 17 hotels in the State of Georgia. In Atlanta, Northpoint developed and opened the 220 unit SpringHill Suites by Marriott Hotel in Buckhead in 2005 and developed the 228 unit dual branded Hilton Garden Inn and Homewood Suites by Hilton Hotels at 10th St. & Williams St. in Midtown Atlanta in 2012. Upon questions from the Authority, Mr. Patel confirmed that the dual branded Hilton Garden Inn and Homewood Suites by Hilton Hotels in Midtown received a tax incentive through Invest Atlanta. Mr. Nash recommended approval of the project and commended the significant investment to be made on a very small 0.35 acre site. Upon questions from the Authority, Mr. Patel informed the Authority that project costs increased approximately \$500,000 in order to comply with Midtown Alliance requirements such as the rebuilding and lengthening of the sidewalk on 15<sup>th</sup> Street, \$200,000 for permanent MARTA easements and temporary One Atlantic Center easements, and additional costs due to the extremely small parcel size. Mr. Patel confirmed that the hotel would only have 95 parking spaces in order to encourage guests to use MARTA and other means of transportation. Upon a motion by Mr. Hodge, which was seconded by Dr. Jolley, the Authority unanimously approved, with the exception of Dr. Bell, the letter of inducement for NP 15<sup>th</sup> Street.

Letter of Inducement for Advance Education, Inc. (“Advance Education”): Mr. Glenn Thomson of Alston & Bird LLP and Mr. Kenneth Bergman of Advance Education appeared in connection with the request for \$9,000,000 in tax exempt revenue bonds to finance the cost of the acquisition, construction, improvement, installation, and equipping of an approximately 40,000 square foot expansion to Advance Education’s current international headquarters located at 9115 Westside Parkway in the City of Alpharetta. Mr. Bergman informed the Authority that Advance

Education is the largest community of education professionals in the world and is a non-profit, non-partisan organization that conducts rigorous, on-site external reviews of Pre-K-12 schools and school systems to ensure that all learners realize their full potential. Mr. Bergman explained that the expansion will allow Advance Education to improve its training facilities. Ms. Zayac confirmed that the transaction is a standard tax-exempt financing and that the bonds will be privately placed with Wells Fargo Bank. Mr. Nash recommended approval. Upon a motion by Mr. Broadbent, which was seconded by Mr. Metze, the Authority unanimously approved, with Dr. Bell abstaining, the letter of inducement for Advance Education.

ITEMS FOR APPROVAL:

Minutes. The minutes from the Regular Monthly Meeting held on December 6, 2016 and Special Call Meeting held on January 4, 2017 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.

NEXT MEETING:

Chairman Shaw announced that the Authority's next Regular Meeting will be held on Tuesday February 28, 2017, at 2:00 p.m. in the Suite 2052 (Peachtree Level) conference room.

There being no further business, the meeting was adjourned.

Samuel D. Jolley, Jr.

Dr. Samuel D. Jolley, Jr., Secretary