

**DEVELOPMENT AUTHORITY OF FULTON COUNTY  
REGULAR MEETING HELD ON  
TUESDAY, NOVEMBER 14, 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  
Mr. Steve Broadbent– Board Member  
Mr. Sam Bacote – Board Member  
Mr. Michel Turpeau – Board Member

Also present were Mr. Al Nash, CEO/Executive Director, Ms. Sandra Z. Zayac and Ms. Shelby Uribe, attorneys for the Authority, Mr. Samir Abdullahi, Ms. Doris Coleman, Ms. Marva Bryan and Ms. Sabrina Kirkland, 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 Hausmann, Mr. Edward Leidelmejer of Commissioner Hausmann’s office, Fulton County Manager Mr. Dick Anderson, Ms. Harriett Thomas of Commissioner Morris’ office, Mr. Jordan Williams of the City of Atlanta Office of Housing and Community Development, and Ms. Lauren Woodyard of Arnall Golden Gregory LLP.

**UPDATES:**

Mr. Anderson announced to the Authority that the residential property tax bills for 2017 were sent out and Fulton County needs to collect 28% by the end of the year in order to meet operating expense needs. Mr. Anderson informed the Authority that the long term goal is to review the entire tax process internally and externally, including the current resources, the extent of necessary technological investments, and how to make the whole process more customer friendly. Mr. Anderson explained that while the digests are still an unresolved issue, there will be great investments to Fulton County, including concrete investments in the justice process to lower jail populations and continued investments in infrastructure.

Commissioner Hausmann announced that Mr. Nash had been appointed to the North Fulton CID Board of Directors. Commissioner Hausmann further discussed that while no concrete recommendations have been published, there is an ongoing transit study in Fulton County to ensure that Fulton County has the requisite mobility to continue economic growth.

**OLD BUSINESS:**

**Final Bond Resolution for SG Property Owner, LP (Induced as Red Rock Developments) (“SG Property Owner”):** Mr. Jim Woodward of Gray Pannell & Woodward LLP appeared in

connection with the request for a final bond resolution for the issuance of \$55,000,000 in revenue bonds for the development of a distribution facility and related office space in the City of Palmetto. This project is expected to be completed in two phases, and this request for a final bond resolution is for the first phase. The first phase includes an approximately 1,000,000 square foot distribution facility and approximately 10,000 square feet of office space. The construction is expected to be completed in 2018. Mr. Nash added that since this type of e-commerce and high-end distribution project will create many jobs, the Mayor of Palmetto has expressed his support for the project. Upon a motion made by Mr. Broadbent, which was seconded by Mr. Hodge, the Authority unanimously approved the final bond resolution for SG Property Owner.

Final Bond Resolution for Campanile Property LLC (“Campanile”): Mr. Woody Vaughan of Holland & Knight LLP and Mr. Matt Connors of Dewberry Capital appeared in connection with the request for a final bond resolution for the issuance of \$124,684,000 in revenue bonds for the renovation of the Campanile building in Midtown, Atlanta at 1155 Peachtree Street, NE. Ms. Zayac informed the Authority that the Campanile building is currently under an existing incentive. Ms. Zayac reminded the Authority that in 2013 the Authority partnered with Dewberry Capital to provide a bond for title structure with Dewberry Capital’s acquisition of the Campanile building because the property was suffering from high vacancy and a lack of rental interest in the market. Despite investing substantial funds into design, system, and building upgrades, the rental interest remained stagnant and the property is currently only 50% occupied. Dewberry Capital further expects occupancy to decrease to approximately 25% in 2020. Mr. Vaughan explained that investing an additional \$88,000,000 to proceed with a major renovation and expansion of Campanile will assist Campanile in competing with other Class A buildings and attracting new tenants. More specifically, the project includes street level retail expansion, renovation of both communal and tenant spaces, and repurposing the top floor from an underutilized storage space to a premium office penthouse. The project is expected to result in approximately 1,319 new office jobs and 46 new retail jobs. Upon a motion by Mr. Turpeau, which was seconded by Dr. Jolley, the Authority unanimously approved the final bond resolution for Campanile.

Final Bond Resolution for Advance Education, Inc. (“Advance Education”): Mr. Peter Floyd of Alston & Bird LLP appeared in connection with the request for a final bond resolution for the issuance of \$12,000,000 in revenue bonds. Ms. Zayac reminded the Authority that Advance Education requested a final bond resolution for the issuance of \$9,000,000 earlier in 2017, but the project financing plans changed, which increased the bond amount to \$12,000,000. Mr. Floyd provided background on Advance Education as a 501(c)(3) nonprofit company that does accreditation and other services for thousands of educational entities. Upon questions from the Authority, Mr. Floyd confirmed that the property is located in Alpharetta and that there was no major changes to the project other than requiring more funds to complete. Upon a motion by Mr. Broadbent, which was seconded by Dr. Jolley, the Authority unanimously approved the final bond resolution for Advance Education.

Assignment of Glenwood Park Apartments LLC (“Glenwood Park”) to BR Glenwood, DST (Bluerock Real Estate, LLC) (“Bluerock”): Mr. Mike Diamond of Seyfarth Shaw LLP and Mr. Andrew Egan of Kutak Rock appeared in connection with the request for an assignment of Glenwood Park to Bluerock. Ms. Zayac reminded the Authority that the Authority was involved in the development of Glenwood Park and that Glenwood Park now is selling the project to Bluerock and seeks to assign its interest. Mr. Diamond further explained that the Authority’s

transaction with Glenwood Park closed in July 2015, the project was completed in early 2017, and the occupancy of the apartments is approximately 90%. Glenwood Park and Bluerock have entered into a purchase and sale agreement and are asking for the Authority's consent for the assignment. Mr. Egan explained that Bluerock is a national real estate investment company. Upon questions from the Authority, Mr. Egan stated that Bluerock owns over 50 complexes and has over \$2 billion in investments just in multifamily properties. Upon a motion by Mr. Turpeau, which was seconded by Mr. Broadbent, the Authority unanimously approved the assignment to Bluerock.

#### NEW BUSINESS:

Letter of Inducement and Final Bond Resolution for Northside Hospital, Inc. ("Northside"): Mr. Ken Pollock of Butler Snow LLP, Mr. Douglas MacDonald of Northside, Mr. Craig Flanagan of Realty Trust Group LLC, and Ms. Wendy Markham of Baker & Hostetler LLP appeared in connection with the request for a letter of inducement and final bond resolution for the issuance of \$48,000,000 in revenue bonds. Ms. Zayac reminded the Authority that in early 2016 the Authority approved this project for Brand Properties, who was developing the project for Northside on West Peachtree Street. However, at the end of 2016, the transaction structure changed and Northside decided to complete the project itself. Mr. Pollock emphasized that the project has not changed significantly as the original plan contemplated a second phase to develop a parking deck, but that Northside is now prepared to combine the second phase into one transaction. Mr. Pollock further explained that Northside owns the land and will ultimately own the parking structure and the Northside entity, 1110 Midtown (defined below), will hold a ground lease of the office tower. Mr. MacDonald shared his excitement of Northside coming to Midtown, Atlanta as physicians have expressed a need for a presence in Midtown, Atlanta. Mr. MacDonald added that the construction began in January 2017 and is expected to be completed in July 2018. Mr. MacDonald explained that the building is already fully leased and will provide services such as imaging services, radiation therapy, and primary care. Upon a motion made by Mr. Broadbent, which was seconded by Mr. Metze, the Authority unanimously approved the letter of inducement for Northside. Upon a motion made by Dr. Jolley, which was seconded by Mr. Metze, the Authority unanimously approved the final bond resolution for Northside.

Letter of Inducement and Final Bond Resolution for 1110 Midtown LLC (Northside Hospital Project) ("1110 Midtown"): Mr. Ken Pollock of Butler Snow LLP, Mr. Douglas MacDonald of Northside Hospital, Mr. Craig Flanagan of Realty Trust Group LLC, and Ms. Wendy Markham of Baker & Hostetler LLP appeared in connection with the request for a letter of inducement and final bond resolution for the issuance of \$50,000,000 in revenue bonds. This project is part of the Northside project described above. Mr. Pollock explained that 1110 Midtown is an affiliate of Northside and will own the office building associated with the project. Upon a motion made by Mr. Broadbent, which was seconded by Mr. Metze, the Authority unanimously approved the letter of inducement for 1110 Midtown. Upon a motion made by Dr. Jolley, which was seconded by Mr. Metze, the Authority unanimously approved the final bond resolution for 1110 Midtown.

Letter of Inducement and Final Bond Resolution for Georgia Tech Foundation, Inc. ("Georgia Tech"): Ms. Caroline Loftin of King & Spalding LLP and Mr. Mark Long of the Georgia Tech Foundation appeared in connection with the request for a letter of inducement and final bond resolution for the issuance of an amount not to exceed \$95,000,000 in revenue bonds for a federally tax-exempt refinancing. Ms. Loftin informed the Authority that Georgia Tech is in the process of advance refunding 2011A and 2012A bonds in order to realize interest rate savings for

Georgia Tech. Ms. Loftin added that Barclays is serving as the underwriter. Ms. Loftin further added that since the bonds will be fixed-rate debt, a special call meeting of the Authority will be needed to approve a supplemental bond resolution after pricing. Upon questions from the Authority, Ms. Loftin explained that the 2011A bonds are callable on November 1, 2021 and the 2012A bonds are callable on May 1, 2022, so the refinancing will save Georgia Tech approximately \$5,000,000 to \$6,000,000. Upon a motion made by Mr. Turpeau, which was seconded by Mr. Broadbent, the Authority unanimously approved the letter of inducement for Georgia Tech. Upon a motion made by Mr. Broadbent, which was seconded by Mr. Turpeau, the Authority unanimously approved the final bond resolution for Georgia Tech.

Letter of Inducement for IPT Southmeadow DC LLC (“IPT Southmeadow”): Mr. Joe Krolkowski of Dentons US LLP and Ms. Katie Kilgore of Industrial Property Trust appeared in connection with the request for a letter of inducement for the issuance of \$23,200,000 in revenue bonds to finance the development of an approximately 400,125 square foot warehouse facility in the City of East Point. Mr. Krolkowski explained that the project is currently in shell condition and the addition of tenant improvements, including a rail line interconnect will make the location more attractive to tenants. Ms. Kilgore added that the location of the project is 7 miles from Hartsfield-Jackson Atlanta International Airport, which provides a greater probability that the project will create high volume and a resurgence of rail scenes. Mr. Nash further added that the project will provide an opportunity to create many jobs, help the local economy, and permit incentives to be passed down to tenants in the form of lower rent. Upon questions from the Authority, Ms. Kilgore discussed that IPT Southmeadow would pay for the rail spur and the tenant would have a separate agreement in place for the service. Upon a motion made by Mr. Broadbent, which was seconded by Mr. Turpeau, the Authority unanimously approved the letter of inducement for IPT Southmeadow.

Letter of Inducement for PME Oakmont Airport Logistics LLC (“PME Oakmont”): Mr. Bill Holby of King & Spalding LLP and Mr. Tom Cobb of Oakmont Industrial Group appeared in connection with the request for a letter of inducement for the issuance of \$8,890,000 in revenue bonds to finance an industrial project in South Fulton. Mr. Holby reminded the Authority that this is the third project in which PME Oakmont has requested the Authority’s participation. Mr. Cobb informed the Authority that the project is an approximately 139,000 square foot spec building on Nationally Fresh Boulevard in Atlanta, Georgia. Mr. Cobb added that the project is targeting smaller users that need to be close to population centers. Mr. Cobb further added that the project will upgrade roof insulation so that the building can be easily used for manufacturing. Upon questions from the Authority, Mr. Cobb explained that vacancy rates in Atlanta and the industrial market are decreasing and that the market has slightly more demand than supply. Mr. Nash explained that the incentives of this project pass through to the tenants in the form of lower rents. Currently, the property has a fair market value of \$183,000 and generates only \$3,000 in property taxes for Fulton County. This investment will therefore increase that value significantly. Upon a motion made by Mr. Broadbent, which was seconded by Mr. Hodge, the Authority unanimously approved the letter of inducement for PME Oakmont.

Letter of Inducement for Piedmont Hotel Owner, LLC (Paces Properties) (“Piedmont Hotel Owner”): Mr. Dan McRae of Seyfarth Shaw LLP appeared in connection with the request for a letter of inducement for the issuance of \$43,000,000 in revenue bonds to finance the redevelopment of a hotel by Paces Properties. Mr. McRae informed the Authority that the current hotel on the property is a 1960’s-era extended stay hotel that the Atlanta Business Chronicle has

characterized as an eyesore. Paces Properties plans to transform the current hotel into a prototype boutique hotel with coexisting commercial suites. Mr. McRae added more specifically that the project will have approximately 2,000 to 3,000 square feet of retail space, approximately 162 rooms, and approximately 48 commercial suites. The project will create approximately 85 permanent jobs and approximately 300 construction jobs. Upon a motion made by Dr. Jolley, which was seconded by Mr. Metze, the Authority unanimously approved the letter of inducement for Piedmont Hotel Owner.

ITEMS FOR APPROVAL:

Minutes. The minutes from the Regular Monthly Meeting held on October 19, 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 Regular Meeting will be held on Tuesday, December 5, 2017 at 12:00 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