

**DEVELOPMENT AUTHORITY OF FULTON COUNTY
REGULAR MEETING HELD ON
TUESDAY, JUNE 26, 2018 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. Steve Broadbent – Vice Chairman
Mr. Walter Metze – Treasurer
Mr. Sam Bacote – Board Member
Sen. Brandon Beach – Board Member
Mr. Michel Turpeau – Board Member
Ms. Sarah Cash – Board Member

Also present were Mr. Al Nash, CEO/Executive Director, Ms. Sandra Z. Zayac and Ms. Lauren Woodyard, attorneys for the Authority, Ms. Doris Coleman and Ms. Sabrina Kirkland, staff of the Authority were also present.

Chairman Shaw called the meeting to order and 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, Commissioner Pitts, Ms. Emily Pfeifer and Ms. Harriet Thomas of Commissioner Pitts’ office, Ms. Jenn Thomas of Commissioner Morris’ office, Mr. Fred Hoffman of Commissioner Ellis’ office, Mr. Anthony Grant of the City of Atlanta Office of Housing and Community Development, Ms. Erica Long of Atlanta Public Schools, Mr. Jim Garcia, Mr. Julian Benet, and Mr. Mark Riley, citizens of Fulton County, and Mr. Jess Wilder, Ms. Erin Winn, and Ms. Dymond Anthony of Arnall Golden Gregory LLP.

DISCUSSION: Commissioner Pitts led discussion on behalf of himself, Commissioner Morris, and Commissioner Hall regarding tax abatement generally and affordable housing. More specifically, Commissioner Pitts expressed how crucial it is that the “but for” test be applied appropriately in that the particular development would not occur but for the tax abatement. Commissioner Pitts encouraged the Authority to do what is in the best interest of the taxpayers. Mr. Nash responded with appreciation to Commissioner Pitts for voicing his concerns and emphasized that the Authority is open to those discussions and is happy to continue that dialogue. Mr. Riley discussed his involvement with charitable foundations that provide grants to schools and emphasized that the county has public health obligations. Mr. Riley explained that Atlanta Public Schools needs resources and encouraged greater coordination among granting tax abatements, particularly in the BeltLine.

OLD BUSINESS:

Final Bond Resolution for Hunter Road Investors, LLC (“Hunter Road”): Mr. Patrick Spook of Eversheds Sutherland (US) LLP appeared in connection with the request for a final bond

resolution for the issuance of \$14,000,000 in revenue bonds to finance the development of an approximately 234,000 square foot industrial facility in the City of Union City. Mr. Spook explained that the project would be developed to address certain issues within the submarket and would be developed on a speculative basis for use by e-commerce, light industrial, or a logistics company. Mr. Spook further explained that the project would provide improvements to the property line and roadways in order to promote further investment in the area. Mr. Nash added that there are numerous site problems that require improvements and that Mayor Vince Williams has expressed his support for the project. Ms. Nash explained that the property is currently generating approximately \$12,000 in property taxes each year, which would significantly increase with this investment, and recommended approval. Upon a motion made by Mr. Turpeau, which was seconded by Mr. Broadbent, the Authority unanimously approved the final bond resolution for Hunter Road.

Amendment to Woodward Academy, Inc. Series 2002, 2006, 2007, and 2008 Bonds (“Woodward Academy”): Chairman Shaw recused himself from discussion due to a potential conflict. Mr. Bill Holby of King & Spalding LLP appeared in connection with the request for an amendment to the Woodward Academy Trust Indentures. Mr. Holby reminded the Authority that four separate bonds were previously issued throughout the last 15 years, totaling approximately \$80,000,000, and that the bonds are currently held by SunTrust Bank. Mr. Holby informed the Authority that a change in recent tax law resulted in an automatic increase in the interest rate on those bonds and that SunTrust Bank and Woodward Academy have agreed to an adjustment in the interest rate on such bonds. Upon a motion made by Sen. Beach, which was seconded by Mr. Broadbent, the Authority approved, with the exception of Chairman Shaw abstaining, the amendment for Woodward Academy.

Amendment to Young Men’s Christian Association of Metropolitan Atlanta, Inc. Series 2013 Bonds (“YMCA”): Mr. Bill Holby of King & Spalding LLP appeared in connection with the request for an amendment to the YMCA Trust Indenture. As with Woodward Academy, Mr. Holby informed the Authority that the bonds were previously issued and that those bonds are currently held by SunTrust Bank. Mr. Holby added that a change in recent tax law resulted in an automatic increase in the interest rate on those bonds and that SunTrust Bank and YMCA had agreed to an adjustment in the interest rate on such bonds. Upon a motion made by Mr. Broadbent, which was seconded by Sen. Beach, the Authority unanimously approved the amendment for YMCA.

Change of Control AmericasMart Real Estate, LLC (Urban Land, LLC Project) (“AmericasMart Real Estate”) to BRE IMC AmericasMart, LLC (“AmericasMart”): Mr. Joe Krolikowski of Dentons US LLP appeared in connection with the request for a change of control of AmericasMart Real Estate to AmericasMart. Mr. Krolikowski reminded the Authority that in 2006, the Authority issued bonds for the development of the fifth building of AmericasMart Real Estate. Mr. Krolikowski explained that the Lease Agreement associated with that issuance requires the Authority’s approval if there is a change of control of the lessee, which will happen as a result of this transaction. Mr. Krolikowski clarified that AmericasMart Real Estate will continue to exist, but will be purchased by AmericasMart. Mr. Krolikowski explained that the Authority’s approval of this transaction will permit the execution of an estoppel and change of control notice letter. Mr. Nash recommended approval of the change of control. Upon a motion made by Mr. Broadbent, which was seconded by Ms. Cash, the Authority unanimously approved the change of control to AmericasMart.

NEW BUSINESS:

Letter of Inducement for FILC, LLC (“FILC”): Mr. Jim Woodward of Gray Pannell & Woodward LLP and Mr. Hamilton Reynolds of Taylor & Mathis appeared in connection with the request for a letter of inducement for the issuance of \$55,277,000 in taxable revenue bonds for the development of an approximately 1.1 million square foot distribution facility to be located on an approximately 100 acre site off of Fulton Industrial Boulevard in South Fulton. Mr. Reynolds explained that the facility would be designed for heavy distribution and e-commerce users and would have approximately 719 automobile parking spaces, 705 trailer parking spaces, and an ability to add approximately 200 trailer parking spaces. Mr. Reynolds further explained that the project would permit the creation of approximately 300 full-time jobs and 180 construction jobs. Mr. Reynolds added that the contractor for the project would be ARCO Design/Build, Inc. (“ARCO”), ARCO is aware of the Authority’s Minority and Female Business Enterprise policy, and ARCO has agreed to enforce minority hiring practices. Mr. Reynolds discussed that while the project site has been underutilized for the last 10 years, they would improve the site to be heavily landscaped with over 100 feet of greenspace, add valuable signage, and complete environmental remediation. Mr. Reynolds specified that they would spend approximately \$4,000,000 for site work, remediation, and infrastructure in order to be able to build on the site. Mr. Nash explained that the property is currently generating approximately \$35,000 in property taxes each year, which would significantly increase with this investment, and recommended approval. Upon questions from the Authority, Mr. Reynolds discussed that they chose the project location because of the submarkets in Atlanta, the project site would provide access for companies distributing to the almost 6 million individuals in the Atlanta metropolitan area, and they could bring rail transport to the location. Upon a motion made by Sen. Beach, which was seconded by Mr. Turpeau, the Authority unanimously approved the letter of inducement for FILC.

Letter of Inducement for SCP Harris Road Owner, LLC (“SCP Harris”): Mr. Woody Vaughan of Holland & Knight LLP and Mr. Will Casaday of South City Partners appeared in connection with the request for a letter of inducement for the issuance of \$38,043,918 in taxable revenue bonds for the development of a multifamily apartment complex to be located on an approximately 13 acre site in the City of Fairburn. Mr. Casaday explained that the project would consist of approximately 276 units, have one-bedroom, two-bedroom, and three-bedroom options, range from \$1,000 to \$1,600 in rent to bring an affordable rent component to the area, and provide nice amenities to its tenants. Mr. Vaughan emphasized that the area is underdeveloped and that other more retail-oriented developers, including a grocery store developer, are waiting to invest in the area until there are more residents. Mr. Vaughan added that since construction costs have increased 20%, being able to develop the project has become much more burdensome in today’s economic climate. Mr. Nash explained that the property is currently generating approximately \$23,000 in property taxes each year, which would significantly increase with this investment with over \$5 million in taxes collected during the life of the project, and recommended approval. Upon questions from the Authority, Mr. Casaday explained that rental rates of the project are comparable, but slightly higher than other residential properties in the area. Mr. Casaday further explained that rental rates are slightly higher since there has not been a multifamily development, except for South City Partners’ previous project, in the area in over 15 years. Upon a motion made by Mr. Broadbent, which was seconded by Sen. Beach, the Authority unanimously approved the letter of inducement for SCP Harris.

Letter of Inducement for Crown Linen, LLC (“Crown Linen”): Mr. Bruce McCall of Miller & Martin PLLC appeared in connection with the request for a letter of inducement for the issuance of \$25,000,000 in revenue bonds to finance the development of a state-of-the-art professional laundry operation and warehousing facility to be located at the intersection of Creekwood Road and Logistics Center Drive. Mr. McCall provided background on Crown Linen and explained that Crown Linen currently operates at five locations in Florida and is looking to develop a sixth location. Mr. McCall emphasized that while Crown Linen is considering Atlanta for the development of the sixth location, but it is also looking elsewhere if it cannot receive a tax incentive. Mr. McCall informed the Authority that Crown Linen is a minority-owned business certified in the State of Florida. Mr. McCall discussed that while the project site is conveniently located close to Atlanta, he also described the topography challenges that will cost more than \$500,000 to make the project site usable. Mr. Nash explained the purpose of professional laundry operations and that companies like Crown Linen are able to reduce water and environmental impacts. Mr. Nash further explained that the property is currently generating approximately \$7,500 in property taxes each year, which would significantly increase with this investment to approximately \$300,000 per year, and recommended approval. Upon questions from the Authority, Mr. McCall explained the project site will need to be specifically built for Crown Linen’s needs and the project would permit the creation of approximately 400 full-time jobs. Upon a motion made by Mr. Broadbent, which was seconded by Mr. Turpeau, the Authority unanimously approved the letter of inducement for Crown Linen.

Letter of Inducement for Resource Housing Group (“Resource Housing Group”): Ms. Susan Langford of Butler Snow LLP and Mr. Chase Northcutt and Ms. Heather-Dawn Ashley of Resource Housing Group appeared in connection with the request for a letter of inducement for the issuance of \$15,000,000 in revenue bonds for a federally tax-exempt transaction. Ms. Langford explained that the project is located on James Jackson Parkway and would consist of the renovation of an affordable housing facility, including updates to HVAC and other major systems, appliances, cabinets, and fixtures. Ms. Langford emphasized that the project is 100% affordable, with 80% of the units being rented by families at 60% AMI and 20% of the units being rented by families at 50% AMI. Ms. Langford added that the project would permit the retention of approximately six jobs and permit the creation of approximately 75 to 100 construction jobs. Upon questions from the Authority, Mr. Northcutt explained that 214 units are one-bedroom units, 104 units are two-bedroom units, and the rest are three-bedroom units. Mr. Nash added that the Authority is acting as a facilitator for the transaction and recommended approval. Upon a motion made by Sen. Beach, which was seconded by Mr. Turpeau, the Authority unanimously approved the letter of inducement for Resource Housing Group.

ITEMS FOR APPROVAL:

Minutes. The minutes from the Regular Monthly Meeting held on May 22, 2018 were presented to the Authority for approval. Upon a motion made by Mr. Turpeau, which was seconded by Mr. Metze, the Authority unanimously approved the minutes as presented.

NEXT MEETING:

Chairman Shaw announced that the Authority’s Regular Monthly Meeting will be held on Tuesday, July 24, 2018 at 2:00 p.m. in the Suite 2052 (Peachtree Level) conference room. Chairman Shaw further announced that the Joint Development Authority of Metro Atlanta Quarterly Meeting will take place on Tuesday, July 10, 2018 at 11:30 a.m. at the Solis Hotel near the Porsche North American Headquarters in Atlanta, Georgia and would be hosted by the

Authority.

There being no further business, the meeting was adjourned.

Sandra Z. Zayac
Sandra Z. Zayac, Assistant Secretary