

1 **Work Session of the Sandy Springs City Council was held on Tuesday, April 6, 2021 at 6:00 p.m.,**
2 **Mayor Rusty Paul presiding.**
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4 **I. Invocation** – Reverend Barrett Abernethy, Mount Vernon Presbyterian Church
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6 **II. Staff Discussion Items**
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8 **A. 2021-104** PCID Presentation
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10 **Ann Hanlon, Executive Director of Perimeter CID**, presented the PCID Mt. Vernon Project presentation.
11 PCID has been working over the last couple of years to identify a pilot project that the City and PCID could
12 work on together, and come up with a legal framework, contract, and one that would be mutually beneficial.
13 The Mount Vernon Trail Project is a City project. The City has worked on the design process up until now,
14 and PCID has only been involved as a general stakeholder. This would be a funding partnership. PCID is
15 proposing to fund the ROW acquisition and the construction of the City's project within the CID footprint
16 (\$2.8M). The City would manage all phases of the project, as they are already managing it. At a staff
17 level, the City and PCID are in the process of reviewing a Project Specific Agreement. The City Council
18 is hearing this first. It has not gone to the PCID Board yet. Once we can receive feedback from the City
19 Council, then this project will be presented to the Fulton PCID to get their feedback. If the Mount Vernon
20 Trail Project is a successful pilot project, then there are other identified as priority projects could include:
21 1. MARTA Medical Center Lake Hearn and Peachtree Dunwoody Improvements; 2. Peachtree Dunwoody
22 at Crestline Intersection; 3. Glenridge Connector at Johnson Ferry Turn Lane Addition; and, 4. Hammond
23 Road at GA400 Turn Lane Extension.
24

25 **Council Member John Paulson** asked where this would be going on Peachtree Dunwoody.
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27 **John Gurbal, Project Manager, PCID** replied this would be the project that begins at Hammond and goes
28 north all the way to Mount Vernon. This project would begin at I-285, just on the north side where the
29 PATH 400 Trail will end. That trail is being constructed right now by GDOT.
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31 **Council Member Jody Reichel** asked is PCID helping with the Peachtree Dunwoody Multiuse Trail
32 Project. Can it be added to the list?
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34 **Executive Director Hanlon** responded that that one is not on this list, but it is one PCID and City staff
35 have discussed. It would be a great project. We've also talked to some of our Board members. Cox is right
36 there. That definitely could be one that is on the list. The presented project a good project and the PCID
37 could simply be a funding partner and not interrupt anything that the City already has moving through the
38 pipeline. There are many other projects in the pipeline to add and replicate.
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40 **B. 2021-105** Cultural Center
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42 **Andrea Surratt, City Manager** presented Arts and Culture Facility presentation. The City was
43 approached by the Georgia Commission on the Holocaust (GCH) to partner in this endeavor. In the last 10
44 years, there have been three master plans that call for the establishment of a center for arts and culture in
45 the core of Sandy Springs. In 2018, the Council adopted a resolution to support the GCH as a tenant in a
46 facility in exchange for a capital contribution that would go toward the construction of that type of project.
47 There have been two feasibility studies done and three potential sites suggested. Option 1 is presented as
48 the recommended site. It is the vacant lot just south of the Performing Arts Center, with the parking deck
49 underneath. The benefits of this location are: it is adjacent to the Performing Arts Center; the land is already
50 owned by the City; there are other civic uses nearby; parking is available; and, overall this presents lower

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costs to construct in this location. The Legislature established that there would be a Georgia Holocaust Memorial and this work identified Sandy Springs as that location. In summary, there has been a significant source of project funding for several years, we have \$2.465M authorized in our capital budget for two years in a row, being a fund for feasibility studies and possible design and construction of a facility. We would need secured rent payment of \$150K a year, outlined in a rental agreement with GCH. This brings the total to \$3.3M; which is enough funding to cover a two story schematic of approximately 8,300 square feet. We are at the point that we have the partners, the ideas, a site and we have the goals that have been outlined for 10 years. It is time to present this for public comment regarding a culture and arts center, with the Georgia Holocaust Memorial (6,600 square feet needed for office, common area and exhibit space) located in that building, at the next meeting. We will be in-person and live streaming at the April 20, 2021 Mayor / City Council meeting.

Shaun Albrechtson, Performing Arts Center Director stated there are additional benefits that could be achieved by this structure. This would further establish City Springs as a cultural destination; bolster offerings of performing arts, public art, and history; launch diverse programming to connect with the community; educational programming for area schools; showcase fine arts; showcase local and national artists; engage new cultural groups to City Springs; and enhance special events that tie into the City View Terrace. This space could present collaborative art exhibit opportunities like The Primavera Project, Art on Art, and, art to be displayed in special gallery events.

City Manager Surratt stated, in regards to a rooftop space on the proposed structure, we are always looking on how to maximize / activate every square foot of space available. Rooftop space would allow visitors to the campus to have another gathering spot. It could be a smaller venue to lease out or even something as simple as having a drink and enjoying the view of 'main street' and the Veterans Park. This is not in the cost estimate yet, but something we could look into developing. This could give us another size space that we do not have at this time.

Council Member Jody Reichel asked what the \$2.465M will go towards People may not understand exactly what we are asking for their public comment. How much taxpayers dollars would be use toward the Georgia Holocaust on the Commission part of their building and why were the locations not presented.

City Manager Surratt replied that \$2.465M is City tax payer dollars and it needs to be funding source to build the facility. The conversations have been that the Georgia Commission on the Holocaust would be \$150K a year for 20 years, lease payment. In terms of the other sites, one is the corner of Bluestone and Hilderbrand, where there was a BMW building. There was a proposed plan and included various partners. We went through that process and the cost estimates were more significant. Then, the Pandemic happened and a new City Manager came on board. In the early months in 2020, we looked at sites again and considered the newly acquired Heritage Building as another location, with renovations. Because of the number of pieces of infrastructure needed to construct any building, the presented Option 1 proved more value in its location. The largest donor, GCH, felt very comfortable with that location for their particular use.

Council Member Tibby DeJulio asked where is a copy of the lease and a schedule of vacant properties the City owns. Staff has not yet provided this information, as requested previously. We are talking about building 8,200 square feet of space, when we do not know how much space we have that is already vacant. How many people have contacted us and said they would like to do a traveling exhibit in Sandy Springs? When City Hall was built, it was said we were going to do gallery exhibits. There has only been one gallery exhibit in the new City Hall. This proposal ties up property that is worth \$2M. We were originally supposed to get the \$3M up-front from GCH, and now we are only going to get a Letter of Credit and a payment of \$150K a year for 20 years, with options to renew at an increase of 3% a year. Interest rates are going up

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and we are putting our citizen's money out in advance for space we do not need. How much empty space do we have in this City? Then we begin talking about the Heritage building and the cost of doing internal renovations to it; which is normally built into the lease cost. I cannot support giving someone this property for 40 years for \$150K per year.

Mayor Rusty Paul replied that no one is calling to ask about renting space that does not exist. These are the type things we know for sure can be brought into the city at a fairly low cost comparison. Can the City Attorney explain the rationale behind this? We wanted to make sure that we held on to this property, had control over it. This was the best way to lock up the \$3M and the City still own the facility. The reason for the lease is that we want to own the building.

City Attorney Dan Lee stated that it is a Letter of Intent the Council voted on some time ago to begin the communications with the Georgia Commission on the Holocaust, so they could decide whether or not they could go out and get donations of the \$3M that was to kick the project off. The time period is what they are negotiating — the original 20 years and then the additional 20 years to renew it. Again, this is preliminary decisions with GCH and all subject to Council vote. The 20 year lease is a typical public-private partnership where a developer, the City, wants to build a building for its purposes, a gallery, and then the guaranteed tenant, GCH, proceeds and a stream of revenue over the time period, pays for the building. To be on City property, it has to be owned by the City. The money that has been budgeted has been there. These discussions have gone on a long time. This is going to take a vote of the Council to put this together. The preliminary document that has been shared is just that. The final vote is up to the Council.

Council Member DeJulio asked is it correct that the City owns this property free and clear. Is there any misconception that this Council would go ahead and vote to sell this property or give this property to someone? This makes no sense from a business standpoint for the citizens of Sandy Springs.

Council Member John Paulson stated this concept came to the City Council three or four years ago. I support the concept of having a permanent home for the Anne Frank exhibit and having the Commission come to the City. A lot of the Council thought this could be a boon to the City. At one point about the Council discussed a facility that had about 20,000 square feet where 8,000 sq. ft. would be for the Holocaust Museum and Anne Frank, 8,000 sq. ft. for a gallery, and the Perimeter Chamber would locate there, as well as Visit Sandy Springs. A single story is one price, a rough order estimate. One of the issues with the Heritage building was that it was occupied two years ago, but now it is vacant. . How close does this Heritage Building fit the need? In the Rough Order Estimate for Option 1, you have costs for the construction and in the Rough Order Estimate for Option 2 you have the build-out and the additional deck. You are including costs in Option 2 that are not part of Option 1 or Option 3. The build-out is not really the City's cost, the build-out is the function of the potential new tenant.

City Manager Surratt stated that given the discussion in Executive Session, we thought were ready to consider Option 1. The space at Heritage is not necessarily vacant. Visit Sandy Springs will move in there temporarily. We are also trying to program that space for the Community Room for users that have rented this building for years. Heritage is one of the few reasonably priced Community Rooms available.

Mayor Paul stated when Heritage became available, it made sense for Visit Sandy Springs to move into that space. This was a very inexpensive solution for this building and to reduce the need for a larger building.

City Manager Surratt presented the 2020 Houser Walker Program Space Allocation report. The Holocaust Commission needs 7,000 sq. ft. plus the common space. 8,300 sq. ft. is the square footage for a two-story scheme. The thought is that \$3M would be the conservative estimate for an 8,300 sq. foot, two-

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story schematic building. The amount in the General Fund is just a placeholder put in several years ago and held in case there were needs to see this vision go forward. It has never been tied to construction.

Council Member Paulson asked can the gallery also have a revenue generating portions to offset the costs of building the gallery.

PAC Director Albrechtson stated that there could be an admission fee to come in to help cover costs for the gallery tours.

Council Member Steve Soteres stated that when a developer develops a property, a pro forma is done for the overall project. This would include items such as land cost and building cost. Then it has the income side that may include rent income, potential for income, or rooftop income. That all spits out a bottom line that identifies if it is an economically feasible project or not, or how much input the City will have to give. I would like to see the pro forma for the project. That might help a lot of people who are struggling with the cost side of the project. A development pro forma would be very helpful for all and may answer a number of questions.

Council Member Chris Burnett stated you have land value plus building costs, so just the GHC lease gives a very low cap rate or return on investment (ROI). But, if there are other revenue opportunities for the City that would help to increase the ROI those would be great facts to have. There are two issues. One, how much it is going to cost the taxpayers of Sandy Springs and how much of a ROI can we get back from GHC over their lifetime in the building and how much ROI can we get on events hosted by the City. The second issue is, is this the right location for this facility relative to some of the other spaces available. This may be the premiere piece of land right now in the City Springs district, so is this the highest and best use? It is not always about ROI, but also when you are doing municipal projects, it is about return to the community. What is the public's desire for this sort of facility? We did a really good job of public engagement when we did City Springs years ago and we have a wonderful facility. While this is not the scope of City Springs, it is an integral part of City Springs.

Council Member Andy Bauman stated the principal question to the community is do they want the Anne Frank Exhibit and the Georgia Commission on the Holocaust at this location, and is this consistent with the vision of the main block of City Springs? We all defend GCH and Anne Frank, both its historical and educational value. The original version for this property was a restaurant, a one story building, mostly glass, then a roof top bar and seating. We have evolved, and Mayor Paul with the backing and guidance of this Council, has spent a lot of time and personal capital working with GCH. For us not to do this now, is to reverse the direction of the Council. This has also evolved over the past three or four years. This is a 40 year decision. If the community and the Council are reluctant, then we have to make that decision. I am glad we are daylighting this. I am not sure what we are asking the public to comment on. For the website, we should fashion questions that would really cut to the chase on this: 'Is this what you want there?' 'Are you willing that the City invest money?' Simplify the questions which we are asking the public to provide input and feedback. We have this large campus that includes this space, but our fundamental decision is to determine what is the best decision for the City. It was an honor to serve on the GCH, and I fully support GCH's mission. But, there are conflicts. No, this was not the original space. This was brought before Council sometime in late 2019 or early 2020 as an alternative to the BMW location. At that time, we did not know that Heritage would be available. Heritage should be looked at from the City's perspective. It is clear that we want to host the Anne Frank Exhibition / Holocaust Exhibition. The first question is 'any' space and then the second question is extra space.

Mayor Paul stated that he tried to follow the guidance that he received from Council. GCH has raised what we told them they needed to raise as far as funds. There are details still to work out; but, they have met

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their obligation. Even though there has been unanimity about all aspects of the project, there was consensus that he should go forward and work with GCH and bring this to Sandy Springs.

Council Member Reichel stated that she is inspired by the Anne Frank story and supports any education related to justice for all people, but it is about the best use for that land and our taxpayer's dollars. When we first began to talk about this, we were not discussing this location. If we are going to market this piece of property, we need to get an appraisal, and we should market this and sell it to the highest bidder. She thought that it was decided in 2018 to leave the land the way it was when it was decided not to put a restaurant there. We should look again at the Heritage Building where there is 15,000 sq. ft., and plenty of space for the GHC, Anne Frank exhibition, and Visit Sandy Springs. It is important that there is a building that can be used. GCH could be a tenant and pay rent like anyone else would.

Council Member DeJulio stated I am in favor of the exhibit. I am opposed to Option 1 over Option 2. In Option 2, we are including \$660K - \$760K for Visit Sandy Springs and that has nothing to do with the Anne Frank exhibit. We are still going to have to have a place for Visit Sandy Springs, so we are getting mixed numbers in here. We are talking about 15,000 sq. ft versus 8,300 sq. ft. We should go ahead with the Anne Frank exhibit but we need to get better numbers. GCH Interior Fit Out: \$700K - \$800K. What does that mean? GCH Addition / Roof Deck: \$1.2M - \$1.38M. What does that mean? We are not getting the correct information to make this type of decision and before we have this public meeting on April 20th, we need to have this information so that we can answer people's questions to find out what our citizens want again.

C. 2021-119 Governor's Latest Executive Order and Summer Concert Series

Mayor Rusty Paul stated that we have the Summer Concert Series beginning on April 30th, and planned for a strict social distancing protocol to be followed. Now, the Governor's Executive Order basically says you can have large gatherings. What are thoughts from Council? We had originally thought we would not have large gatherings until maybe late August, but it seems now they may be permitted earlier.

Andrea Surratt, City Manager reported that last week Governor Kemp adjusted the Executive Order and effective April 8 to 30, the ban on large public gatherings has been lifted. With this, we do not have the backing of an Executive Order to enforce our additional restrictions on public gatherings. To stay with the Governor's new Executive Order through that time period, it would be a different concert experience on April 30th, going forward. The CDC's guidance on this is as it has been — wear your mask and 6' separation. That is how we had planned to manage the concert on April 30th. The current plan is presented as Option 1 — no tables, 6' distancing. While it is stricter than the current Governor's Executive Order, it does comply with CDC guidelines. Option 2 — add tables narrow pods to 3' distancing to exercise some distancing. Still stricter than the Governor's Executive Order, but does not comply with CDC guidelines. Option 3 — add tables, cancel 'tickets', remove pods, no social distancing.

Council Member Bauman stated for the first event, the City should err on the side of caution, and continue with Option 1.

Shaun Albrechtson, Performing Arts Center Director stated that Option 2 does not create significantly more capacity than Option 1.

Council Member John Paulson state the City could manage capacity on the Green, but could never manage the capacity of the sidewalks.

Consensus of Council. Proceed with Option 3.

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247 There being no further business, the meeting adjourned at **7:24 p.m.**

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249 Approved: April 20, 2021.

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Russell K. Paul, Mayor

Raquel D. González, City Clerk