SANDY SPRINGS
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SANDY SPRINGS DEVELOPMENT AUTHORITY

William "Chip" Collins, Chair
Dan DiLuzio, Secretary/Treasurer
Toshia Battle
Joe Houseman
Sunny Park
John Paulson
Ed Ukaonu

January 13, 2022	**Regular Meeting**	**8:30 AM**

The Sandy Springs Development Authority Meeting will be held in the Barfield Conference Room, 2nd Floor, at Sandy Springs City Hall (1 Galambos Way, Sandy Springs, GA 30328).

Live-stream:	**Public Meeting Portal (CivicClerk):** https://sandyspringsga.civicclerk.com **Zoom Webinar:** http://spr.gs/ssdameetings
Teleconference:	**Phone:** (646) 558-8656 **Webinar ID:** 886 7653 9915

I. **Call to Order**

II. **Roll Call** - Secretary

III. **Approval of Meeting Agenda**

IV. **Approval of Meeting Minutes**

DA2022-01 December 2, 2021 Sandy Springs Development Authority Meeting

V. **New Business**

DA2022-02 Workforce Housing in Sandy Springs
(Presented by Tochie Blad)

DA2022-03 Election of Officers

DA2022-04 Approval of the Sandy Springs Development Authority 2022 Meeting Calendar
(Presented by Caroline Davis, Economic Development Manager)

DA2022-05 Economic Development Update & Development Authority Overview
(Presented by Caroline Davis, Economic Development Manager)

Individuals with disabilities who require certain accommodations in order to allow them to observe and/or participate in a public meeting, or who have questions regarding the accessibility of the meeting or facilities should contact the City Clerk at 770-730-5600 promptly for assistance. The City will make reasonable accommodations for those persons.

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VI. **Other Business**

DA2022-06 Discussion on Development Authority Priorities

VII. **Adjournment**

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Prestwick Development Company

Prestwick
companies






Company Overview

Prestwick Companies is a fully integrated development, construction, and investment group that specializes in tax credit and market rate multifamily housing. Prestwick develops and renovates both family and senior housing communities located Southeastern United States and has completed 40+ communities since 2008. 1,500+ Atlanta Metro units.

Development Quality

- Similar to Market Rate

- Families earning between $30,000-$70,000 and Rents between $750-$1,500

- Mixed income – Market Rate and Affordable/Workforce (50-80% AMI)

- Long-Term Developer Ownership

- 30 Years of Affordability

Development Authority Support

4% LIHTC Application – Historically non-competitive, now competitive. Must be in a Qualified Census Tract, such as the North End. 130-250 units.

- Bond Issuance – Not a taxpayer burden. Does not cost the authority anything. Federal requirement for the development. Unlocks slightly lower interest rate.
- Favorable Financing Terms - Local Government Support ($500,000 - $2,000,000). Low Interest Loans or Grants
- Ground Lease – City owned land. City can lease at market value or nominal fee to gain advantage.

Development Authority Support

9% LIHTC Application – Competitive. 50-100 units

- Favorable Financing Terms – Local Government Support ($500,000 - $2,000,000). Low Interest Loans or Grants
- Ground Lease – City owned land. City can lease at market value or nominal fee to gain advantage.
- One 9% development is active within Sandy Springs.

Development Authority Support

Sale Lease Back or Bonds for Title – Outside of the LIHTC Program

- Partial Tax Abatement over ten years.
- Can require some form of affordability determined by the development authority.
- Authority may set affordability rent thresholds and requirements.

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DA2022-04

Sandy Springs Development Authority 2022 Proposed Meeting Calendar

All meetings are scheduled on the following Thursdays from 8:30-9:30 AM in the Barfield Room at City Hall.

1. January 13th
2. February 10th
3. May 12th
4. July 14th
5. September 8th
6. November 10th

Presentation for Sandy Springs Development Authority

January 13, 2022

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Small Business Relief Assistance Program

SBRA Program Timeline

- December 2020 - Application Open
  - 182 of applications received
- February 2021 - Award Notifications Made
  - 158 applications approved
  - 2 withdrawn
- March 2021 – All Funds Distributed
  - $1,602,223 total awarded
- August 2021 – First Audit

August 2021 Audit Summary

- **99%** of these small business are open and all intend to remain in the City.
- Collectively, these small businesses employ **922** full-time employees, **459** part-time employees, and **119** contracted employees.
- **72%** indicated that the funds from the City allowed them to retain existing employees.
- **31%** indicated they were able to create at least one new job as a result of the program funds.
- **40%** indicated that they are planning to create new jobs in the next 6-months.

City Priorities & Projects

2021 Adopted Priorities

- Set the standard for excellence in **CUSTOMER SERVICE & CITIZEN ENGAGEMENT**
- Create and support targeted **ECONOMIC DEVELOPMENT** opportunities, with an emphasis on the **NORTH END**
- Promote **SUSTAINABLE GROWTH &** foster **ENVIRONMENTAL STEWARDSHIP**
- Provide inclusive and diverse **RECREATIONAL & CULTURAL ENRICHMENT**
- Enhance multi-modal **TRANSPORTATION ACCESSIBILITY &** maintain high **COMMUNITY APPEARANCE** standards
- Deliver the highest quality **PUBLIC SAFETY** services
- Ensure long-term **WATER RELIABILITY** for all residents and the business community

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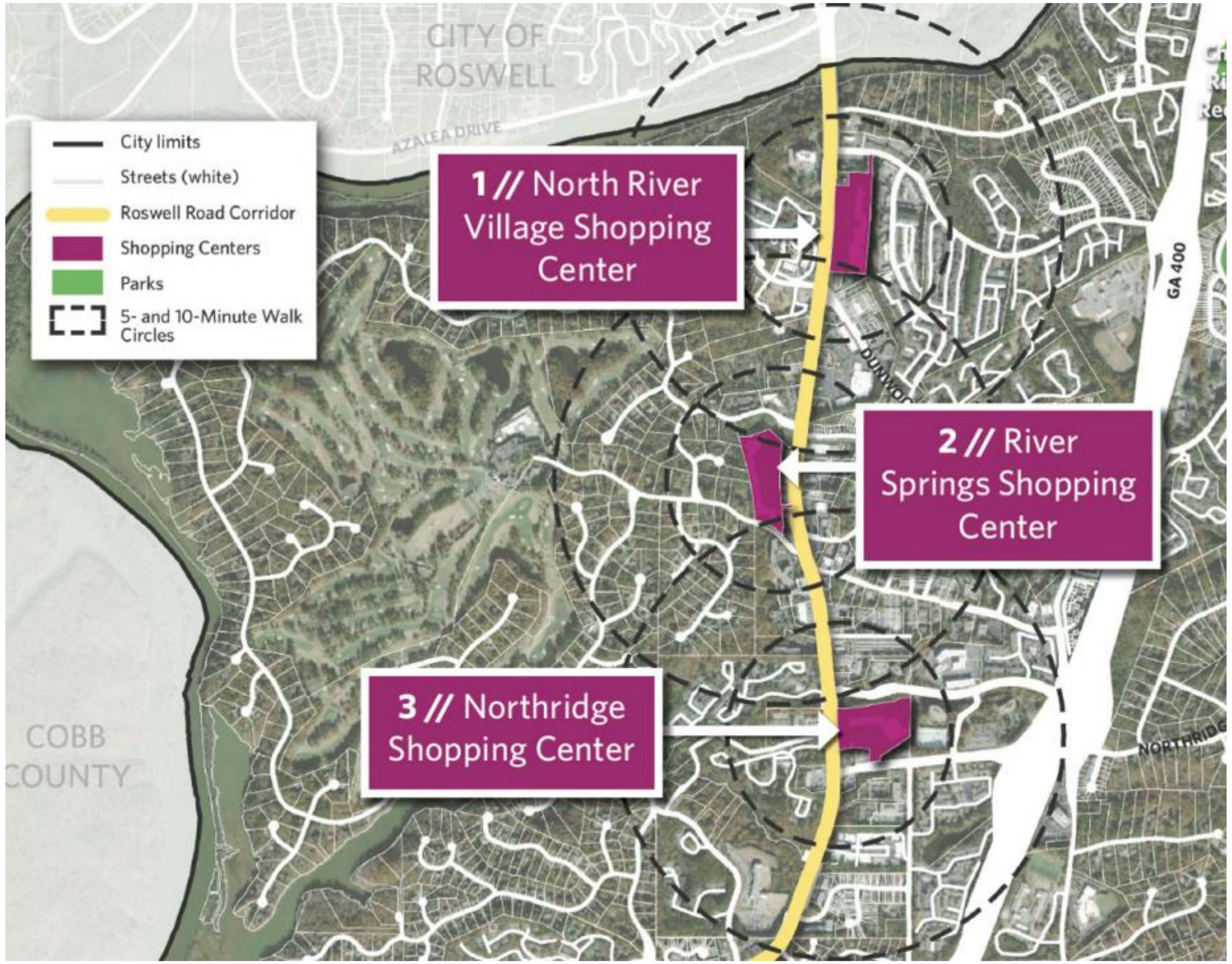
City Projects

- North End Redevelopment
- TSPLOST
- Public Safety Complex
- Fire Stations 2 & 5
- Wayfinding
- Veterans Park
- City Center Master Plan Update
- Recreation & Parks Master Plan
- Trails Master Plan
- Transportation Master Plan



Development Authority History & Examples

Purpose of Development Authority

Means of providing certain services on behalf of the local governing body and to the community.

> **"Promote and further the development of trade, commerce, industry, and employment opportunities"**

Excerpt from the General Statute, Georgia Development Authorities Law Article IX, Section VI, Paragraph III of the Georgia Constitution

Mission Statement

The primary mission of the Sandy Springs Development Authority is to support City-sponsored projects, City redevelopment and economic development goals, educational institutions or other non-profit organizations in the City by providing taxable and tax-exempt bond financing opportunities and other incentives pursuant to the Georgia Development Authorities Law. (*approved November 4, 2016*)

History of SSDA Projects

- Refer to Handout for Project Summary

- Types of Projects:
  - Bonds for Title Program
  - 501(c)(3) Bonds
  - Regional Economic Business Assistance (REBA)
  - Sponsorships

Examples from Other Development Authorities

- Refer to Handout:
  - Development Authority of Fulton County
  - Roswell Downtown Development Authority
  - Invest Atlanta
  - Decide DeKalb Development Authority
  - Decatur Development Authorities
  - Fayette County Development Authority

Discussion

To: Chip Collins, Chairman
Sandy Springs Development Authority

From: Andrea Hall

Date: As approved by Board November 4, 2016

Subject: Mission Statement and Policies of the Development Authority

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Background:

Development Authority members have expressed an interest in having more formalized guidelines for determining what projects the Authority would be likely to support.

Adopted policies:

Based on Authority and Staff conversations at the April 26, 2016 and November 4, 2016 meetings, the following was approved:

> *<u>Mission Statement</u>: The primary mission of the Sandy Springs Development Authority is to support City-sponsored projects, City redevelopment and economic development goals, educational institutions or other non-profit organizations in the City by providing taxable and tax-exempt bond financing opportunities and other incentives pursuant to the Georgia Development Authorities Law.*
>
> *<u>Operating procedures</u>: All applications considered for action by the Development Authority must be submitted to Authority members in a timely manner, at least 21 days prior to a vote, unless changed at the Chair's discretion. Staff shall provide a package of information at that time, including: financial impact analysis; summary of other costs/benefits; alignment with City goals; and other staff recommendations.*

HISTORY OF SANDY SPRINGS DEVELOPMENT AUTHORITY PROJECTS				
YEAR	**PROJECT**	**TYPE**	**AMOUNT**	**NOTES**
2007	Hammond Half Drive Diamond	Bond	$19,000,000 *(approximately)*	The Sandy Springs Development Authority was created to participate in this project and provided bond financing to the Perimeter Community Improvement Districts to achieve the project.
2012	CBS Corporation	REBA Grant	$350,000	REBA stands for Regional Economic Business Assistance and is a joint program of the Georgia Departments of Economic Development and Community Affairs. The Development Authority served as a conduit to provide the REBA Grant to the CBS Corporation and did not contribute any of its own funds. They are still located in Sandy Springs.
2013	The Davis Academy	Bond Refinance		There is no obligation to the Development Authority to repay the bonds.
2014	The Weber School	Bond Refinance	$15,300,000	There is no obligation to the Development Authority to repay the bonds.
2014	Sandy Springs Gateway Owner, LLC Project	Bond	$39,000,000	The project included a Memorandum of Agreement between the Development Authority, the City of Sandy Springs, and the developer that part of the value of the abated taxes would be returned to the City for the purpose of the Windsor Parkway and Roswell Road intersection realignment
2014	JLB Chastain LLC Project, Phase I	Bond	$65,000,000	
2014	JLB Chastain LLC Project, Phase II	Bond	$65,000,000	
2016	Sandy Springs Residential, LLC Project	Bond	$80,000,000	Modera by Mill Creek and includes first floor retail.
2016	Sandy Springs Innovation Center	Sponsorship	$50,000	The Authority selected this opportunity as a vehicle to create jobs and support the statutory purpose of a Development Authority.
2017	City Springs Owners, LLC Project	Bond	$75,000	The Aston at City Springs and includes first floor retail.

2017	Sandy Springs Foundation	Sponsorship	$50,000	Authority contributed $50,000 to the Sandy Springs Foundation in support of the Foundation's effort to raise money for the City Springs project, a City-sponsored, redevelopment project and a principal redevelopment driver for the City. The sponsorship contribution supported the goals of the Foundation to support educational institutions and other nonprofit organizations that would use the Performing Arts Center. As an additional part of the motion, the Authority set aside $50,000 from its funds to contribute in sponsorships in the future to the Foundation to support a specific programming project that the Foundation brings to the Authority within twelve months for the Performing Arts Center.
2018	Sponsorship of the City Green Concert Series	Sponsorship	$25,000	This was in support of the Sandy Springs Foundation & The Performing Arts Center as economic-drivers for the City. Promotional materials for the events included mention of the Development Authority's contribution.
2018	Sponsorship of the Itzak Perlman performance	Sponsorship	$25,000	The remaining $25,000 was used to sponsor the Sandy Springs Society's effort to bring Itzak Perlman to the Performing Arts Center. The guarantee of a sponsorship was necessary for all parties to sign the performance contract, but was only to be used if other sponsorships could not be secured. The performance sold out and approximately $16,000 was returned to the Development Authority.
2020/2021	Small Business Relief Assistance Program	Sponsorship	$50,000	In 2020, the Development Authority agreed to act as the issuer on behalf of the City of Sandy Springs of the SBRA Program funds. In 2021, the Development Authority contributed $50,000 of its own funds on top of the funds provided by the City in order to fund all eligible applications.
2021	The Weber School	Bond Refinance	$9,000,000	There is no obligation to the Development Authority to repay the bonds.

EXAMPLES OF OTHER DEVELOPMENT AUTHORITIES

DEVELOPMENT AUTHORITY OF FULTON COUNTY

Mission Statement: To stimulate quality economic development, expand and diversify the tax base, provide quality jobs, retain existing businesses and sustain quality of life for residents throughout Fulton County.

ROSWELL DOWNTOWN DEVELOPMENT AUTHORITY

Mission Statement: To stimulate and sustain economic development in downtown Roswell by encouraging cooperation and building leadership; by advancing a positive image of downtown and promoting it as an exciting place to live, shop, and invest; by sustaining and improving the appearance of downtown; and by strengthening and expanding the economic base of downtown.

With every project, the Authority members ask the question if the project supports this statement. If it does, then the Authority proceeds with consideration of the project.

INVEST ATLANTA

Invest Atlanta is a government authority comprised of the Urban Residential Finance Authority, Downtown Development Authority and the Atlanta Economic Renaissance Corporation. Invest Atlanta receives governmental power through two pieces of legislation: The Local Government Authorities Registration Act and The Georgia Redevelopment Powers Law.

Mission Statement: To advance Atlanta's global competitiveness by growing a strong economy, building vibrant communities, and increasing economic prosperity for all Atlantans.

Programs Include:

<u>501(c)(3) Bonds</u>

Issued to finance property of applicable non-profit organizations, such as schools, charities, and healthcare facilities.

- Criteria
    - Typical Structure: Conduit issuer, no recourse, potential for credit enhancement
    - Term of Bond: Matched to the useful life of the assets financed
    - Interest Rate: Below market rate ½ fixed or variable
    - Bond Minimums & Maximums: Determined on a deal-by-deal basis
- Requirements
    - Eligible Areas: Citywide
    - Jobs Created/Retained: Company must submit a detailed job creation & retention plan

<u>Lease Purchase Bonds</u>

Through the issuance of Lease Purchase Bonds, Invest Atlanta holds title to real and personal property for a ten-year period. Invest Atlanta enters into a Memorandum of Agreement with the Fulton County

Board of Assessors to assess the property under a ramp up schedule starting at 50% in the first year and decreasing by 5% each year for the next 9 years until full taxes are paid in year 11.

- Criteria
  - Bond Minimums & Maximums: Suggested minimum of $10 million; no maximum
  - Typical Structure: Conduit issuer, no recourse
  - Term of Bond: 10 years
  - Interest Rate: Market rate ½ fixed or variable
- Requirements
  - Eligible Areas: Citywide
  - Jobs Created/Retained: Company must submit a detailed job creation & retention plan

<u>Regional Economic Business Assistance (REBA)</u>
REBA is a job creation incentive program run by the State of Georgia to encourage business relocation into the State of Georgia.

- Criteria
  - Eligible Applicants: For-Profit Businesses
  - Eligible Activities: 1. Public land acquisition 2. Public infrastructure improvements 3. Publicly owned machinery and equipment 4. Publicly owned/privately leased assets, machinery & equipment
  - Minimums and Maximums: Discretionary State of Georgia conduit grant of no more than $750,000, may be waived upon recommendation of Commissioner of DCA
- Requirements
  - Eligible Areas: Citywide
  - Jobs Created/Retained: Company must submit a detailed job creation and retention plan

<u>Economic Opportunity Fund (EOF)</u>
This discretionary fund is structured on a project by project basis based upon criteria such as job retention and creation in the city of Atlanta, financial strength of the business, and amount of business investment in the project.

- Criteria
  - Eligible Activities: Funding of acquisition or construction of land, buildings and equipment, infrastructure or leasehold improvements, parking subsidies, relocation costs, workforce training, etc.
  - Eligible Applicants: Businesses or Non-Profit Organizations
  - Minimums and Maximums: City of Atlanta grant with funding determined on a case-by-case basis
- Requirements
  - Eligible Areas: Citywide
  - Jobs Created/Retained: At the discretion of the Mayor and City Council

DECIDE DEKALB DEVELOPMENT AUTHORITY

Decide DeKalb was built with the intention to recruit, retain, and expand the businesses that position DeKalb County in the way of greatness. We understand the economic impact of our educational and training programs, as well as the opportunities we provide for businesses. Our goal is to create a supportive and collaborative environment that serves as a link between businesses and DeKalb County residents.

The Development Authority uses a scoring sheet to assess projects, in addition to using an external consultant to conduct a Fiscal Impact Report. The report uses LOCI software.

Refer to Decide Dekalb Development Authority Bond-Lease Incentive Project Scoring Criteria handout for more information.

DECATUR DEVELOPMENT AUTHORITIES

Mission Statement: The Downtown Development Authority works to assure the long-term economic stability of downtown Decatur by maintaining the small-town character of the district and supporting values that assure Decatur is a great place to live, work, play, invest and do business.

The Decatur DDA follows the review process and procedures that are provided in the Decatur Unified Development Code, according to the type of application. This refers to Section 11.1.7. and Section 11.2.1.

The DDA reviews how a project responds to design requirements of the specific commercial district and special pedestrian area guidelines, how the project responds to the goals of the City's Strategic Plan and any specific master plans applicable to the commercial district. In addition, they review how a project furthers the economic development goals (i.e., increase in property taxes, job creation and commerce). When it finds that design requirements and goals are being met, the DDA also approves a resolution in support of said project.

If there are further public hearings, the resolution is provided to that board for further consideration (i.e., the Planning Commission, City Commission). The resolution may also include a development agreement between the developer and the DDA that imposes certain conditions. Such conditions may consist of locations for buildings, parking, loading or storage areas or other land uses; restrictions regarding what land uses or other activities may be permitted; maximum building heights and other dimensions; screening or other protective measures; a requirement that the existing historic building(s) be retained; a requirement that development take place according to a site plan; public facility improvements by the owner; or any other requirement deemed appropriate to further respond to design requirements and plan goals.

FAYETTE COUNTY DEVELOPMENT AUTHORITY

The excerpt below is an example of criteria the Fayette County Development Authority used to evaluate projects. Recently, the Authority chose not to renew these criteria, allowing them to consider a wider assortment of projects.

Projects that meet the following requirements:

a. Type of Project. The Project shall be in one of the following target industries: Corporate Headquarters, Information Technology, Aerospace, Advanced Manufacturing, Film/New Media, and Medical, Research & Development.

b. Capital Investment. The Project must have a new capital investment of at least $7,000,000. In calculating the capital investment for this requirement, both real property and equipment acquired by a Company by lease or purchase count for purposes of calculating the capital investment by a Company. Equipment acquired by a Company may be new or used, so long as it has not been previously in service in the County. Capital investment shall include, for the purpose of this Article, real property and the purchase or placement of machinery, equipment and fixtures used in the operation of the Company. Existing real property may, at the discretion of the Authority, receive a Tax Incentive if the renovation and/or improvement of such property exceeds $7,000,000.

d. Jobs. The Project must expect to create at least twenty (20) full time or equivalent employees with Wages of at least $_______ per year. “Wages” means wages, benefits and bonuses.

Each Company that locates or expands in the County is eligible to apply for a Tax Incentive if the proposed Project meets the above described eligibility requirements. Any Company seeking to receive a Tax Incentive shall make an application to the Authority and pay the application fee required by the Authority. The application shall contain a project description including number of jobs with average salary, timeline of hiring, investment level, and industry sector as well as any additional information requested by the Authority, and the application will be signed by an officer of the Company. The Authority shall perform due diligence as to the qualifications of the Company to receive a Tax Incentive.

The Authority may decline to offer a Tax Incentive to any applicant for whatever reason.

Any Company which receives a Tax Incentive shall be required to agree and consent to the jurisdiction and venue of the Superior Court of Fayette County, Georgia for any and all disputes concerning the Tax Incentive and the matters described in this Contract.

DECIDE DEKALB DEVELOPMENT AUTHORITY
BOND-LEASE INCENTIVE PROJECT SCORING CRITERIA

Primary Purpose Criteria

_______ points [0-20]	A. **Primary Jobs/Target Industry Factor -** Project creates primary jobs in a target industry as identified in the strategic plan (*i.e.*, Healthcare and Life Sciences, Logistics and Distribution, Advanced Manufacturing, Corporate Headquarters and Professional Services) or other Authority Policy, or a nonprofit 501(c)(3) Add comments as necessary.
_______ points [0-20]	B. **Permanent FTE Jobs Factor -** Number (up to 20) of projected new or retained jobs per $500,000 invested. (total investment amount of $XXXXXXX/$500,000)/XXX total new jobs = XX
_______ points [0-20]	C. **Average Annual Wage Factor** - Award one point (up to 20) for each $5,000 average annual salary of $XXXXX/$5,000 = XX
_______ points [0-20]	D. **Net Property Tax Produced Factor** – From Fiscal Impact Report, for total of all governments, divide 20-year property tax receipts with incentive by 20-year property tax receipts without incentive, multiply by 20 and round (maximum 20 points) (abated amount $XXXXX/unabated amount of $XXXXX)*20 = XX
_______ points [0-20]	E. **Deal Closing Factor -** • 20 points – Project unlikely to proceed or likely to locate outside of County without the incentive • High intermediate score – Project unlikely to obtain financing without incentive • Low intermediate score – Project unlikely to proceed on this scale or at this time without incentive • 0 Points – Project likely to proceed as proposed without incentive
_______ points [0-20]	F. **Community Benefits Factor** – 0-20 points awarded based on tangible benefits to DeKalb citizens, *such as:* (1) minimum set aside of multi-family housing for low- and moderate-income (2) senior care facility (3) commitment to developing public infrastructure or facilities such as parks, traffic improvements, or police/fire facilities (4) commitment to use DeKalb First hiring program and MFBE contracting (5) sustainable design (6) historic preservation (7) environmental remediation (8) favorable employment practices (e.g., use of ex-offenders)

A-F___ points [0-120]	**TOTAL - Primary Purpose Criteria Scoring** (Proposed that 75 be a scoring meeting incentive, and if fewer than 75 Primary Purpose Criteria Points are assigned, points from the Bonus Point Criteria that follow may be added)

Bonus Point Criteria

______ points [0-20]	G. **Expansion Project Factor** - Project is expansion of an existing DeKalb business (award up to 20 points)
______ points [0-20]	H. **Equipment Factor** - Percentage of project cost representing equipment or other personal property [Award one point for each 5 percent] (total investment of $XX,XXX/personal of $XX,XXX)/5 = XX points
______ points [0-20]	I. **Discretionary Factor** – 0-20 points may be awarded based on concrete factors not otherwise considered, *such as*: • Project furthers County, City, or Authority development initiatives • Project is a seed project for further development • Project impact has strong multiplier effects • Project is strategically located, *e.g.*, in an opportunity zone, a Livable Communities Initiative area, a designated development corridor, a blighted area, a census tract eligible for new market tax credits, etc. Add comments about the project.
G-I____ points [0-60]	**TOTAL – Bonus Point Criteria Scoring**

A-I__________ TOTAL OF PRIMARY PURPOSE CRITERIA POINTS AND BONUS POINT CRITERIA POINTS