City of Sandy Springs Development Authority Meeting was held at Sandy Springs City Hall, 7840 Roswell Road, Building 500, Sandy Springs, Georgia, 30350, on May 1, 2014, at 3:00 p.m.

Call to Order

Chairman Chip Collins called the meeting to order at 3:04 p.m.

Board Members Present: Chip Collins, Gabriel Sterling, Jennifer Steele, Carla Sweetwood, Jimmy Glenn, Dave Nickles, and Craig Johns.

Staff and Representatives Present: City Attorney Wendell Willard, Staff Attorney Kathy Williams, Director of Economic Development Andrea Hall and Assistant City Clerk Kelly Bogner were present.

Assistant City Clerk Kelly Bogner asked the Boardmembers to state their name whenever they speak to facilitate creation of the minutes.

I. Approval of Minutes from meeting held February 21, 2014

Motion and Vote: Gabriel Sterling moved to approve the February 21, 2014, Sandy Springs Development Authority minutes. Dave Nickles seconded the motion. The motion carried unanimously.

II. Consideration and Adoption of a Bond Resolution Authorizing, Inter Alia, the issuance of the Authority's refunding revenue bond (The Weber School – Doris and Alex Weber Jewish Community High School, Inc. Project), Series 2014, in a principal amount not to exceed $15,3000,000 (Presentation by Ken Pollock, counsel for The Weber School and Bond Counsel)

Attorney Ken Pollock stated he is the bond attorney for the Weber School and also in attendance is Paul Gimburg, who is the Chief Operating Officer for The Weber School. The Authority held a meeting in January 2014, and adopted an inducement resolution to allow The Weber School to move forward with structuring the bonds and working with the purchaser of the bonds, BB&T. The structure of the deal would then be brought back to the Authority for final approval. This meeting is being held for adoption of the bond resolution. The Authority will approve the key terms of the bond in a principal amount not to exceed $15,3000,000. The proceeds of the bond will be used to refinance outstanding bonds that were issued in 2006 by the Development Authority of Fulton County.

Chairman Chip Collins stated there are a few members of the Development Authority who were not members in January.

Attorney Pollock stated the Weber School is asking the Authority for bonds in a principal amount up to $15,3000,000. The proceeds of the bonds will be loaned to the Weber School. The Weber School will use the proceeds to pay off bonds that were issued in 2006. Those bonds were issued originally in the amount of $24 million and used to acquire and construct the school's building. The school has been in business since 1997 and operates a high school with about 230 students that includes grades 9-12. The bonds will probably not be $15,3000,000, but that is the maximum amount. The current bonds that will be paid off are in the amount of $15,000,000. The interest rate on the bonds will be a floating rate that will adjust according to a formula built into the documents. The rate is tax exempt because the Authority is a government entity. The rate is 78% of the LIBOR rate index plus a spread of 1.56%. As the LIBOR rate moves, the interest rate on the bonds will float. The school determined that this is the preferred means of structuring the bonds for the lowest interest cost. The school will enter into an interest rate swap that will end up fixing a portion of the rate the school ultimately pays on the bonds. The bonds will mature in ten years on June 1, 2024. The documents will provide that the school is required to pay off the

Attorney Pollock responded the Weber School. BB&T is represented by a firm.

Councilman Sterling asked the City Attorney if he likes this agreement.

City Attorney Willard stated legal staff is satisfied with the fact that the Authority is not assuming or taking any liability or exposure in the transaction. The City's Development Authority previously did the same thing for the Davis Academy. These educational institutions are providing quality services to citizens of the community and it does qualify under the bond law for a purpose for which bonds can be issued.

Jimmy Glenn asked if the Weber School defaults on the loan what BB&T's course of action will be.

Attorney Pollock stated BB&T would then be able to foreclose on the property.

Jimmy Glenn asked if in the State of Georgia, before one can collect on a guaranty, does one have to sue the responsible entity.

City Attorney Willard responded no. The holder of the debt has the right to elect recourses for correction, because they are not bound by a priority of what they do.

Craig Johns stated it is interesting to him that if the government changes capital requirements for the bank, then the bank is able to tell Weber School that they did not make the rate of return, so they will be required to pay a certain amount. He asked if that is the way most transactions work with each lending agreement.

City Attorney Willard responded that is how the lending works.

Craig Johns stated in Section 6.1 of the agreement there is a restriction on religious use or affiliation. He asked if the Weber School has any primary place of religious worship in the building.

Attorney Pollock stated the school does not. The bond counsel would advise the school to not use bond proceeds that are issued by a governmental authority to construct a chapel or use it for religious reasons. The school is religious based, but its primary purpose is education not religion.

Dave Nickles asked if most of the banks offered these same types of loan terms.

Attorney Pollock responded yes.

Motion and Vote: Dave Nickles moved to approve Adoption of a Bond Resolution Authorizing, Inter Alia, the issuance of the Authority's refunding revenue bond (The Weber School – Doris and Alex Weber Jewish Community High School, Inc. Project), Series 2014, in a principal amount not to exceed $15,3000,000. Craig Johns seconded the motion. The motion carried unanimously.

Craig Johns stated he registered for the Development Authority training class in Dalton, GA to be held on August 1, 2014.

City Attorney Willard stated members have one year from the date of becoming an Authority member to complete the training.

Jimmy Glenn asked what the City will lose, based on the cost of the project, in lieu of tax abatements.

Councilman Sterling stated the original estimate was around $114,000 to $115,000 in order to get access to $2.5 to $3 million.

Chairman Collins thanked Attorney Pollock for a concise presentation and stated all information will be provided to the Authority once it is provided to staff.

ADJOURN

Motion and Vote: Jimmy Glen moved to adjourn the meeting. Dave Nickles seconded the motion. The motion carried unanimously. The meeting adjourned at 3:41 p.m.

Date Approved: July 8, 2014

Chip Collins, Chairman

Michael Casey

Michael Casey, City Clerk