City of Sandy Springs Development Authority Meeting was held at Sandy Springs City Hall, 7840 Roswell Road, Building 500, Sandy Springs, Georgia, 30350, on February 4, 2016, at 8:30 a.m.

I. DA16-006 Roll Call

Chairman Chip Collins called the meeting to order at 8:35 a.m.

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

Staff and Representatives Present: Staff Attorney Kathy Williams, Director of Economic Development Andrea Hall, City Clerk Michael Casey, Assistant City Clerk Kelly Bogner, and Bond Counsel Jim Woodward

II. DA16-007 Approval of Minutes from Meeting Held January 28, 2016

Motion and Vote: Council Member Sterling moved to approve the January 28, 2016, Sandy Springs Development Authority meeting minutes. Jennifer Steele seconded the motion. The motion carried unanimously.

III. DA16-008 Consideration and Adoption of Bond Resolutions Authorizing, Inter Alia, the Issuance of not to Exceed $80,000,000 in Aggregate Principal Amount, of the City of Sandy Springs Development Authority Taxable Revenue Bonds (Sandy Springs Residential, LLC Project), Series 2016

Chairman Chip Collins stated most of the members were present at the last meeting, except for Carla Sweetwood. He asked where in the documents the non-recourse language would be located.

Bond Counsel Jim Woodward stated in the Trust Indenture, which is Exhibit A. The non-recourse language will be located in Section 203 of the Trust Indenture.

Council Member Gabriel Sterling stated it looks like there are two Trust Indentures.

Bond Counsel Woodward responded yes. The last line states the obligation of the issuer, which is the Development Authority, and that the bonds and interest thereon should not be a general obligation of the issuer, County, City, or the State. It shall be a limited obligation which shall be payable solely from and wholly secured by a pledge of a trust estate securing the bond. The bond itself has language which states limited obligation.

Chairman Collins stated as discussed at the last meeting one of the primary incentives for this bond is the tax savings which will be contributed by the developer to the City to fund the road. He asked where the binding obligation is found.

Bond Counsel Woodward stated that is not in the package given to the Authority. That is another agreement that is currently being negotiated. The Authority will approve that agreement prior to closing. The City Council will also need to approve it. The agreement will include how the developer is to make the payments for the next ten years. This agreement is required to get the tax incentive in place. That contract will not need to be validated.

Chairman Collins asked what the Authority does if Bond Counsel Woodward cannot get an agreement completed with the developer.

Bond Counsel Woodward stated the documents authorize the Chairman and Secretary to move forward and sign the deal. The reason this deal is being done so quickly is due to the validation hearing that takes about three weeks. Once the court approval and court order are received, that is an approval to move forward, but not an obligation.

Chairman Collins stated the Authority is authorizing Bond Counsel Woodward to work on the deal. By the time this is closed, there will be a final deal in place.

Council Member Gabriel Sterling asked how much longer the negotiating will take place.

Director of Economic Development Andrea Hall stated staff is working on getting this item on the City Council agenda for the February 16th meeting.

Council Member Sterling stated she will be negotiating with Mill Creek and that will be brought to Council on February 16th. There is no way to get through the validation of the documents before that meeting.

Bond Counsel Woodward stated after the February 16th City Council meeting the Authority will meet and approve that contract as well.

Motion and Second: Council Member Sterling moved to approve Agenda Item No. DA16-008, Consideration and Adoption of Bond Resolutions Authorizing, Inter Alia, the Issuance of not to Exceed $80,000,000 in Aggregate Principal Amount, of the City of Sandy Springs Development Authority Taxable Revenue Bonds (Sandy Springs Residential, LLC Project), Series 2016. Jennifer Steele seconded the motion.

Bond Counsel Woodward stated the two bond resolutions are for the exact same project. Once the project is built, the developer will subdivide it. It will still be owned by the same company.

Chairman Collins asked if the bond resolutions need to be addressed separately.

Bond Counsel Woodward responded one motion is fine.

Chairman Collins asked if he is allowed to vote or does he only vote when there is a tie.

Staff Attorney Kathy Williams responded Chairman Collins is allowed to vote.

Vote on the Motion: The motion carried 4-1, with Jimmy Glenn voting in opposition.

IV. DA16-009 Other Business

Council Member Gabriel Sterling stated the next meeting should be scheduled.

Bond Counsel Jim Woodward suggested the next meeting be held February 18th at 8:30 a.m. At the next meeting the Authority will be approving the contract, which will make the reimbursements for the road construction. The Authority approved the forms today and the resolution authorizing the Authority to make changes if needed. The principal amount and the final maturity amount cannot be changed in the contract. The documents signed today will be couriered down to the District Attorney's office. The documents should be signed by Friday or Monday. If the documents are completed by then the advertisement can be placed in the newspaper and a hearing held on February 22nd or the 23rd. The documents then should be validated on February 29th.

Council Member Gabriel Sterling asked how the discussions are going with Davis, the developer that took over the Camden development.

Director of Economic Development Andrea Hall stated at this point the discussions are nonexistent. She would like to be able to approach them just like Camden under similar terms. She can try to pitch a different term to them, but they are going to want the same terms.

Bond Counsel Woodward stated he heard the developer hired Attorney Bill Hoebee, who is very effective in marketing.

Director of Economic Development Hall stated the developer's representation will be very familiar with the terms.

Council Member Sterling stated with Camden we were looking at potentially a longer period of time to get the road completed, because of their development timeline. That may be a shorter time period now, because of the lease holders in the office building.

Director of Economic Development Hall responded that is correct. The City is prepared to move forward in the negotiations with Mill Creek. The City is ready to move forward with the construction of the road, if the City is reimbursed by Camden. The Camden project and their timing will not hold up the project.

Jimmy Glenn stated at the last meeting there was mention of a policy on things that appear before the Authority. It is very important to have that policy before we consider any more applications. He believes the Authority made a horrible mistake today because we have set a precedent for giving subsidies for economically viable properties. It is even more important that the Authority come up with a policy. The next developer that comes to the Authority will have the same knowledge of what the Authority just approved. He has been reading and doing research on what a Development Authority is supposed to do. In his humble opinion, this Authority is not doing its job, because we are not having adequate time to deal with the issues before us. He questioned why everything is being done last minute. The Authority was told the developer is giving certain things that are not even negotiated. The cart is way before the horse. This Authority is just a rubber stamp, as it is currently being treated. He does not say this in a derogatory manner, but descriptively. The Authority needs to have its own voice. If the Authority is going to be a rubber stamp for the City Council, then that is fine. The Authority should define its role. The Authority has a fiduciary responsibility to represent the citizens of Sandy Springs and treat money as if it our own money. He does not feel in good conscience that he can vote to give a developer a break, even though he does understand the situation. He understands how the Authority got where it is today, but does not want to do the same thing again. He hopes that in the future the Authority will not be notified all of a sudden that there is to be a meeting held and then another one a week later. For the meeting one week later the Authority is being asked to approve something contingent upon the developer making contributions that have not been negotiated to the City. This is not a proper way to do business. He hopes that the Authority can get policies in place. The Authority has money in the bank. The Authority may want to get staff involved or have Bond Counsel Woodward get involved.

Council Member Sterling stated he fundamentally agrees with the underlying sentiment of Mr. Glenn that a policy needs to be in place. He disagrees with the characterization of the previous vote as not being in the fiduciary best interest of the taxpayers of Sandy Springs. The only reason the Authority is doing this is because it is a better deal for the taxpayers than would have existed without this deal. The City will receive money that would have come directly out of the taxpayer's pockets. The Authority is filling their role. Before there was a better relationship with the leadership of the Fulton County Development Authority, the applicant had already done a 100% deal in the City of Atlanta. The Sandy Springs Development Authority intervened on a political level that allowed us the ability to at least get some money for our taxpayers. The Authority should not be approving these type of deals for economically viable projects. He would have preferred the Authority be part of the Mercedes Benz deal, but Fulton County did that deal instead. Fulton County approves deals just to do deals. This Authority should not operate like that, because we do not have those concerns. The Authority is concerned with redevelopment in the north end of the City and inside I-285. This particular deal was for the best outcome for redevelopment and economic development while at the same time protecting Sandy Springs taxpayers. Every action this Board has taken since its inception has aided the Sandy Springs taxpayers.

Jennifer Steele stated having been secretary on every single deal of this Development Authority she can categorically state that it has never been a rubber stamp issue. She wishes the Authority would get away from that terminology. Every single deal has nuance. She believes everyone in this governing body has concern for the best interest of the City. She understands the philosophy around narrowing in on a mission statement. It will help guide the Authority in the future. She looks at every single deal in front of her and there is not one fixed definition. She does not want the Authority to have a mission statement that limits the Authority.

Council Member Sterling stated the Authority is simply checking the boxes in order to move forward. The Authority does not have to complete this deal. If a deal cannot be negotiated with the applicant, the Authority can simply walk away. In that case, the Authority would again be protecting the Sandy Springs taxpayers. We are not putting ourselves in a positon where we are stuck. The Authority needs enough time for the documents to be processed through the court system.

Chairman Collins asked when the Authority will know that a deal is approved for the road funds. He asked if the deal will be in place before he signs the final documents.

Bond Counsel Woodward stated the documents will be final before the February 18th meeting. The Authority will approve the final documents, if they choose to move forward. The deal will close towards the end of February.

Chairman Collins asked about the other deal.

Bond Counsel Woodward stated he will try to send out the document this afternoon.

Chairman Collins asked at what point is the Authority bound to complete the deal.

Bond Counsel Woodward stated all parties involved in the deal will sign the documents in his office on the same day, a date towards the end of February. The Authority, the City, and the developer will all attend the meeting. All documents and the construction contract will be signed that day. The closing will probably occur on February 29th.

Jimmy Glenn stated in regards to the rubber stamp, if he misspoke and used the wrong words, he apologizes. He asked how long this project has been in process, starting with the City having discussions with the developer.

Bond Counsel Woodward stated this process has been a stop and go process. This is not the process he likes, because there is not enough time. He normally likes to have ninety days from the time the company wants to move forward with the deal. That time frame usually gives everyone enough time. The City and staff have known about the deal. There were discussions last summer, around July. The developer was interested in the project, but had not purchased it yet. The developer then was silent for some time. Staff emailed the developer. The developer did not tell the City and staff anything until December 15, 2015 and that they were looking to move forward. A meeting was held on January 11th or 12th with the City staff and the developer regarding moving forward. The developer described what was wanted, that they closed on the land December 2, 2015, and they have ninety days or otherwise they will be required to purchase a new title policy. At that time an email was sent to the Development Authority members. Normally, staff would like to give the Authority thirty days to discuss and have one initial meeting. Staff did not receive the green light to move forward with the bonds until January.

Jimmy Glenn stated a forty-five day time period in the policies and procedures would be helpful, so the Authority does not have to have rush meetings. The concern is the rush and lack of time to assemble information, and discus it.

Council Member Sterling stated there was mention of this body affecting the City Council vote. Council had no input into this deal, it was staff driven. The only reason he knows about the deal is because he speaks to staff often. On this particular deal he wanted the City to be more involved and he happened to be on the Council and the Authority and was aware of the deal. The rest of Council just knows there is a resolution that requires a road to be built in this area. Council passed a budget point earlier stating the City negotiate with both buyers and brokers to get the land for the road. There have been no discussions on how to pay for the road. This is a nice bucket of money and will not build the entire road, but it will build a large portion of it. Council did not state the Development Authority needs to do this deal. It was staff that stated this is a tool in the toolbox to protect Sandy Springs taxpayers. City Council probably will not receive this information until the meeting on the 16th or the Friday before.

Chairman Collins stated he would like all members to bring ideas to the next meeting such as the forty-five day notice and other ideas for the mission statement. The mission statement will give guidance to the Authority. The fear is that part of the reason we are doing this deal is because Fulton County will do the deal anyway, and we may as well do the deal to receive the fee and to get some road money. If Fulton County does every deal that comes before is and we will do a deal just so that Fulton County does not get it, the question is what deals would we not approve? The bar might be really low, but we should establish where that bar is. These types of projects on prime parts of Roswell Road do not need incentivizing to get the deal. Perhaps, for prime property, a question to be asked is what the City will receive out of the deal, such as road money. Redevelopment of aging apartments and blighted areas has been a priority of the City. He asked how the Authority can be proactive in trying to get those deals, since we are the prime incentive tools the City has. He asked about having an open house for developers. The next time the Authority meets, they could discuss proactive things this Authority might be able to do.

Jimmy Glenn stated he wants there to be an orderly process. He feels rushed doing the deals this quickly and since staff has to assemble all the documents, it is unfair to them. If the Authority sets a time frame, then the developer knows what to do to get in line and it does not burden anyone.

Chairman Collins stated he will give staff credit for going out of their way. The Authority received emails last fall from Staff Attorney Williams stating the deals are in the works and to start thinking about them. The ability has been there for anyone on the Authority to call staff and inquire on a deal. The Authority did have an idea that something was going on.

Jimmy Glenn stated he is confused. He thought Bond Counsel Woodward stated the deal came about in December.

Council Member Sterling stated the first discussions were in July, 2015.

Jennifer Steele stated we knew something was coming, but we did not have all the parameters of what was coming.

Jimmy Glenn stated until staff knows something, the Authority cannot do anything. Being rushed puts a lot of burden at the last minute on the staff and everyone involved.

Council Member Sterling stated this can be accomplished by direction of the Authority.

Chairman Collins stated he does not think that any of the Authority members are going through the documents in detail. He is not so concerned with receiving advance notice. The discussion of a future deal can occur before Bond Counsel Woodward creates the document package. Discussions regarding if a property is prime property or is blighted are easy things to figure out early on in the deal. Given the fact there were no Authority meetings held in 2015, to have a few more meetings is not so bad. The Authority can aspire to meet at a minimum of once a quarter whether there is a deal in place or not. The Authority receiving an update from staff on what is going on throughout the City, in terms of economic development, would be great.

V. DA16-010 Adjournment

Motion and Vote: Carla Sweetwood moved to adjourn the meeting. Jennifer Steele seconded the motion. The motion carried unanimously. The meeting adjourned at 9:17 a.m.

Date Approved: February 18, 2016

Chip Collins, Chairman

Michael Casey, City Clerk