

City of Sandy Springs Development Authority Meeting was held at Sandy Springs City Hall, 7840 Roswell Road, Building 500, Sandy Springs, Georgia, 30350, on January 12, 2017, at 8:30 a.m.

I. DA17-001 Call to Order

Chairperson Chip Collins called the meeting to order at 8:36 a.m.

II. DA17-002 Roll Call

Authority Members Present: Chip Collins, Jennifer Steele (via phone), Jimmy Glenn, and Jim Squire. Carla Sweetwood and Joe Houseman were absent.

Staff and Representatives Present: City Attorney Wendell Willard, Director of Economic Development Andrea Hall, City Clerk Michael Casey, and Bond Counsel Jim Woodward.

III. DA17-003 Approval of the Meeting Agenda

Motion and Vote: Authority Member Sterling moved to approve the January 12, 2017, Sandy Springs Development Authority meeting agenda. Authority Member Squire seconded the motion. The motion carried unanimously.

IV. DA17-004 Approval of the Minutes from the December 8, 2016 Meeting

Motion and Vote: Authority Member Sterling moved to approve the December 8, 2016 meeting minutes. Authority Member Squire seconded the motion. The motion carried unanimously.

V. DA17-005 New Business

A. Election of Chairperson, Vice Chairperson, Secretary/Treasurer

Motion and Vote: Authority Member Squire nominated Chip Collins as the Chairperson. Authority Member Sterling seconded the motion. The motion carried unanimously.

Motion and Vote: Authority Member Squire nominated Gabriel Sterling as the Vice Chair. Authority Member Steele seconded the motion. The motion carried unanimously.

Motion and Vote: Authority Member Sterling nominated Jennifer Steele as the Secretary/Treasurer. Authority Member Squire seconded the motion. The motion carried unanimously.

VI. DA17-006 Other Business

Authority Member Gabriel Sterling stated the Big Lots shopping plaza redevelopment seems to be moving forward. There is a question of what can be done with the Chevron gas station on the corner at Dalrymple and Roswell Road. Quick Trip is trying to purchase that property. A prospective owner of Big Lots has told Quick Trip that they will never get the extra acreage they need to build the standard Quick Trip. The person who owns the Chevron land is allegedly charging over \$20,000 a month in rent. There was some discussion that the Development Authority can assist with the deal and have a nice, new development.

Authority Member Jimmy Glenn asked if Big Lots is buying the property.

Authority Member Sterling responded no. The developer is buying the Big Lots shopping center. The redevelopment will include tearing down the southern end of the property, creating an access road to the backside of the property, and moving out-parcels to the front. There is an issue of environmental degradation, because of the dry cleaner business previously on the property. No fee simple or single-family homes can be placed on this property.

Chairman Chip Collins stated Lever Stewart of the Sandy Springs Perimeter Chamber is ready to move forward with the Innovation Center. The lease has been approved for the property. There are extra funds from a sponsorship from Comcast of \$100,000.

Director of Economic Development Andrea Hall stated the Authority has committed a total amount of \$50,000 to the project.

Chairman Collins asked if Mr. Stewart has any issues with the Memorandum of Understanding (MOU) between the Authority and the Perimeter Chamber.

Staff Attorney Kathy Williams stated Mr. Stewart stated he needs the \$50,000 for startup costs.

Director of Economic Development Hall stated that she would speak to Mr. Stewart regarding the \$50,000 commitment and its use.

Staff Attorney Williams stated that the Chamber raising a certain amount to match was a condition to the Authority's commitment to make the \$50,000 payment.

Authority Member Sterling stated he spoke to Tom Mahaffey and he will attend two more sponsorship meetings next week.

Chairman Collins asked if Director of Economic Development Hall could work with Mr. Stewart to get the use of donated funds clarified. He asked if anything else on this matter would come before the Board before final approval of the Innovation Center.

Director of Economic Development Hall responded no.

Bond Counsel Jim Woodward stated this is a follow up from the December meeting regarding the JLB I project for the lease amendment to remove the bonds, because the investor did not want bonds. This amendment falls under the original approval and will not be voted on today. USAA is one of the investors and he thought they are signing their interest to a new company instead of JLB being a party to all agreements. He will review the documents and get them to the Authority. At the next meeting, he will ask the Authority for approval of the documents. Under the original documents, no assignment can occur without the Authority's approval and trustee's approval. The agreement for the road intersection realignment has been assigned as well.

Authority Member Sterling asked about the realignment agreement and the project being closed.

Bond Counsel Woodward stated the bond cancellation is with JLB and is what the Authority approved. He will have more information prior to the next meeting.

Authority Member Glenn asked if the investor is requesting a lease as part of the assignment.

Bond Counsel Woodward responded no. The new investors are creating a new LLC company.

Authority Member Glenn asked who the signor is.

Bond Counsel Woodward stated the signor would be JLB Chastain I LLC, which is a single entity. A document was already approved by the original transaction. One of the sister transactions is for the Sandy Springs Gateway owners that is the commercial portion, which is the Core Properties group. They have a loan from State Bank and Trust for the project. He will sign an amendment for a deed to secure the debt due to the loan amount being increased. Since the last Authority meeting, the transaction was closed with the City Springs owner on December 30.

Authority Member Sterling asked how much the Authority's fee was for this transaction.

Bond Counsel Woodward stated he believes the amount was about \$92,000.

Staff Attorney Williams stated the Development Authority provides for telephonic participation. If you do not vote, you cannot count as part of the quorum. Authority Member Glenn's attendance completes the quorum.

Chairman Collins asked Director of Economic Development Hall for press publicity and recognition of the Board for the Innovation Center deal. At some point, the placement of signage in the facility was discussed.

Director of Economic Development Hall stated she and Mr. Mahaffey have to work through the City sign regulations on how to do that.

Authority Member Glenn stated there was mention of the Development Authority participation in affordable housing. He asked if anyone on the Board is looking into it.

Chairman Collins stated he would like to hear any suggestions by the Board. It is a goal of the City and the Mayor to increase affordable housing so that our teachers, police, firefighters, and others can afford to live in the community where they work. It is expensive to live in Sandy Springs. Currently, the apartments being built are luxury apartments and luxury townhomes that are at a high price point. He wonders if there is some way the Authority can help to make the economics work for developers to establish workforce housing and redevelopment on the north end of the City.

Bond Counsel Woodward stated affordable housing is a federal tax credit. The development of affordable housing is a huge industry. A separate group of developers does these deals. A developer can get a federal tax credit, in which there are two types. One is a nine percent tax credit and it requires an application to the State where a State allocation is awarded for it. If a developer does not receive that, they can apply for a four percent tax credit. In this case, a federal income tax exempt bond would be completed in order to finance the project. At least forty percent of the units have to be within a certain median range cost. Affordable housing is not HUD or Section 8 housing. Affordable housing will be based off the City or location and the median income of the area. The local authorities that do these loans are the housing authorities.

Authority Member Jim Squire stated he was on the Fulton County Housing Authority Board and they did approve quite a few of those loans.

Chairman Collins stated that is the problem with the Sandy Springs Development Authority involvement. The mission of this Authority is creation of jobs. The question is whether residential development can be applied, without a mixed-use component.

Authority Member Sterling stated that through the City's Next 10 process we are trying to use all the tools in the toolbox, with the Development Authority being one of those tools. The price of land is cheaper on the north end of the City except where apartments are located, because they are going off the income model instead of just the real estate model. We want to have owner occupied housing. There is public policy that has cross-purposes in many places. The development would probably have to be a mixed use for the overall ability to do it. We would be replacing the inexpensive Class C apartments in certain sections of the City. Many of those apartments can be converted to condominiums. The fractional ownership is a very big hurdle to come over for any developer, including Winding River Drive. The other place we have discussed the development is potentially down near I-285. Then the delta is massive at about \$2 million an acre. There is no Development Authority or Housing Authority with enough money to close that delta. It requires a series of tools, such as the way we try to use our impact fees in ways to allow for affordable housing sections. Council has been placing affordable housing conditions on some of the apartments that have been submitted to the City.

Chairman Collins stated to answer the question the City has already done a lot of the work for the Authority.

Authority Member Squire stated the Fulton County Development Authority has a staff member that works specifically trying to find developers to do this type of financing.

Authority Member Glenn stated he would like to see a little more implementation of some affordable housing. He wonders what the Authority's view is on this. He would like to see the affordable housing before someone requires the City to do it.

Authority Member Sterling stated about thirty-six percent of the apartments in the City are C class, which means they are on the lower end of the spectrum and everyone's rent has increased. The median income in Sandy Springs is about \$77,000. There is a large inventory of rentals in the City, but they are not that great.

Authority Member Glenn stated the C class apartments could be great. The negative factor about those apartments is the allocation of space within the apartments. When you start moving families into the C class apartments, it matches up a lot better.

Authority Member Sterling stated an issue with the C class apartments is they are out of date. The problem right now is the apartments are all making serious money. The City is trying to stay ahead to where they are not told what to do with the redevelopment for affordable housing.

Authority Member Glenn stated he is familiar with why the apartments are outdated. They are not functionally obsolete to where they cannot be corrected. Three bedroom apartments are not desirable for roommates, but if you put families in those units then the functional obsolescence is not a negative.

Authority Member Glenn stated we should be able to get the Class C apartments renovated for police officers, firefighters, and teachers. He does not think it is an unattainable situation.

Authority Member Sterling stated some apartment owners have added dog parks, dog shampoo stations, new roofs, and other amenities.

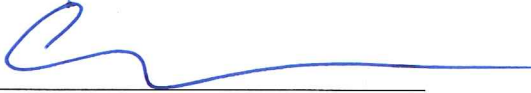
Authority Member Glenn stated the big push now is to redevelop the Class C apartments. He is talking about obsolescence and the reasons they are in these situations. The apartments could be made into very desirable things without a dog park or clubhouse. When he got into the apartment business years ago, the clubhouses were important and everyone wanted one. Some situations are very beneficial. Where a

school bus stops and unloads a tremendous number of people could be the same use for City employees. This would be a win-win situation for all.

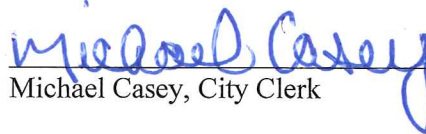
VII. DA17-007 Adjourn

Motion and Vote: Authority Member Sterling moved to adjourn the meeting. Authority Member Squire seconded the motion. The motion carried unanimously. The meeting adjourned at 9:01 a.m.

Date Approved: February 23, 2017



Chip Collins, Chairman



Michael Casey, City Clerk