

Regular Meeting of the Sandy Springs City Council was held Tuesday, November 18, 2008, 6:00 p.m., Mayor Galambos presiding.

Invocation – Ron Gilreath, Mt. Vernon Presbyterian Church offered the invocation.

Call to Order

Mayor Galambos called the meeting to order at 6:00 p.m.

Roll Call and General Announcements

Councilmember's Present: Councilmember Doug MacGinnitie, Councilmember Dianne Fries, Councilmember Rusty Paul, Councilmember Ashley Jenkins, Councilmember Tibby DeJulio and Councilmember Karen Meinzen McEnerny.

Pledge of Allegiance

Mayor Galambos led the Pledge of Allegiance.

Approval of Meeting Agenda

Motion and Vote: Councilmember Fries moved to approve the meeting agenda. Councilmember Meinzen McEnerny seconded the motion. There was no Council discussion. The motion carried unanimously.

Consent Agenda

(Agenda Item No. 08-289)

1. Meeting Minutes:
 - a. October 21, 2008, Regular Meeting
(Tracy Tye, Acting City Clerk)

Motion and Vote: Councilmember Fries moved to approve the consent agenda. Councilmember Meinzen McEnerny seconded the motion. There was no Council discussion. The motion carried unanimously.

Presentation

Consideration of approval of a Resolution to Acknowledge the Generosity of Ms. Margaret L. Miles and her Family in Making Possible the Acquisition by the City of Approximately 22 Acres of Park Land Property; to Acknowledge the Trust for Public Land and the Sandy Springs Conservancy for their Assistance in making the Park Property Acquisition Possible; and to Designate the Name of the Park Property as "Lost Corner Preserve", in Accordance with the Wishes of Ms. Miles.
Resolution No. 2008-11-63

Curt Soper, Director of the Georgia Land Conservancy Program thanked the City for its participation and to celebrate the establishment of a brand-new nature preserves City Park in Sandy Springs. It is about 22 acres in size and is called "Lost Corner". It should be in honor of the landowner, Peggy Miles who owned the property and sold the property at a penny on the dollar to the City. The City contributed some funds as well as the State Land Conservation Program. There was some private fund-raising. The City has a wonderful new park that its citizens and citizens of the state can enjoy. The previous owner was a great steward of the property. She was born on the property and spent her 86 years there. She has now passed away. Ms. Miles would be pleased that this park has been established.

Mayor Galambos stated that the City appreciates the State's contributions which helped make this possible. All partners in this endeavor should be congratulated. It was a good example of folks working together for Trust for Public Land, the Conservancy, State of Georgia and the City of Sandy Springs.

Councilmember Paul stated that he has had the privilege of working with Mr. Sophier over the last year. He has visited some amazing land conservation and preservation projects that Mr. Sophier and his team have been able to do across the state. This project is typical of the way the State works. They do not take state tax payer dollars and buy a lot of land. They do go out with the community and the private sector have joined together and put a lot of resources on the table and where landowners bring, as Ms. Miles did, a lot to the table. The State provides a level of financing necessary to make these wonderful projects work. They are very good stewards of the state's tax dollars and have done a magnificent job of preserving some magnificent pieces of land across the state. This is truly a unique piece of urban landscape. It is the only one in an urban environment that the State has approved.

Mayor Galambos stated that the City of Sandy Springs contributed about \$500,000 to this project.

Motion and Vote: Councilmember Paul moved to approve Agenda Item No. 08-296, a Resolution to Acknowledge the Generosity of Ms. Margaret L. Miles and her Family in Making Possible the Acquisition by the City of Approximately 22 Acres of Park Land Property; to Acknowledge the Trust for Public Land and the Sandy Springs Conservancy for their Assistance in making the Park Property Acquisition Possible; and to Designate the Name of the Park Property as "Lost Corner Preserve", in Accordance with the Wishes of Ms. Miles. Councilmember Fries seconded the motion. There was no Council discussion. The motion carried unanimously.

Public Hearings

Land Acquisition

Consideration of a Resolution authorizing the execution of an option agreement to purchase the Target Property located in land lot numbered 89 of the 17th district.

Mayor Galambos stated that the only decision City Council has made was to put an option on the land because it is a site that is on the Comprehensive Land Use Plan. Heritage Sandy Springs has always envisioned that this would all be City Center to Town Center and it just seemed to be the perfect site. The City has absolutely no plans at this point to build.

The City has the money without cutting anything short to buy the land but does not have the money to build and there are no plans to do that at this point. This seemed like a good thing to do in order to save the land for future use when the economy is in better shape. This will not take any funds from any of the City Programs that provide local services to the community including Capital Projects on the City's Agenda. These programs will move forward to the extent that the State and Federal Government meets their aspect of it.

Motion and Vote: Councilmember Paul moved to approve a 20 minute time limit for the public to speak on the agreement to purchase the Target Property. Councilmember Fries seconded the motion. There was no Council discussion. The motion carried unanimously.

Public Comments

Jim Buckler, 240 Forrest Lake Drive, NW, stated he believes it is his civic duty to voice opposition when elected officials are about to do something unwise. First, we voted to increase property taxes this year and many of you, with the noted exception of Mr. MacGinnitie, have repeatedly claimed that you have not increased taxes. Second, while you have entered into a purchase option to buy this piece of property for \$8 million with 25-50 million more to build it out. By my estimate, you just four days ago solicited citizen opinions on whether this should go before City Council. The only notice I received was via e-mail and posted on your website. You may have advertised it in some

other local publication, but I'm not aware of it. This action does not build confidence that the City is interested in opening up this

discussion to the taxpayer and voters for meaningful discussion and discernment. I would like for all of you to step back and remove yourself from this self-created buying frenzy. At the least you should delay this decision, form a broad based citizenry and business advisory council and charge them with making an independent recommendation. My preference would be for you to put this decision to the voters to see if they want to encumber themselves with a long term debt and/or additional pressure to increase taxes year to year on this extraordinary purchase. We don't have to look very far to other local governments who have over time burdened themselves with excessive government structures where expansion at a time of plenty has come back to hurt taxpayers now that times are tough. City services will suffer in the future along with those of us who will be tapped with higher taxes to pay for these unnecessary expansions. The future based on today's uncertain economy may be here sooner than later. I encourage you to demonstrate fiscal restraint during these uncertain economic times. Give your constituents another reason to applaud you like the decision to embrace the concept of outsourcing city management to a professional company like CH2M HILL, like getting on the task of improving roads, adding sidewalks, working towards better drainage infrastructure, improving and adding parks, making great improvements for law enforcement and fire protection.

Those are the items that deserve continued focus, not building an unneeded City Hall. My personal position is there is no argument good enough to spend this money on this purchase. The vote should be no. Sandy Springs residents were promised a new government paradigm which in large part you have delivered but a yes vote today would be a dramatic turn backwards. Here are some reasons I believe every one of you should vote no to acquiring this building: The Target store location is prime Sandy Springs commercial real estate. If the City owns it, it is permanently removed from the tax digest, and the residential property owners would not benefit from what would be substantial commercial property tax revenues ever again. By permanently reducing commercial property tax income here, the Council must collect more taxes from residential property owners. The current City Hall strategy is for the city to rent existing commercial property. That is a good idea and it should be continued. The private property owner of the offices currently rented by the City pays taxes to the City, property taxes and business taxes, so however much the rent is the City gets a reasonable portion back as an offset by collecting taxes from the property owner. By renting space for City Hall, the City supports the local businesses and helps keep area commercial occupancies high. The \$8 million is created by collecting more tax money than was budgeted. The position that should have been adopted regarding this over-collection is that the City Council should have reduced taxes and returned the over-collection. Unfortunately you are rushing to spend this money for something that is not necessary, and the money that is being spent is only a down payment. Any money spent on City Hall will reduce the amount of money available for needed capital projects and will certainly require increased taxes. This does not include acquiring and building a new City Hall. The City needs a permanent police station, and I'm sure that you are moving on that. Are these revenues going to increase as the State even today has signaled their intention to freeze property values in 2009? Arguments I've heard for a yes vote include: it's a once in a lifetime opportunity, if we don't do this right now, someone else will buy it, the price will never be available again, the location is perfect, we can't let this chance pass us by, it's what the people want.

Steve Massell, 5800 Long Grove Drive, stated support with the City purchasing the real estate indicating it is the best and most visible location for a city center and should be looked at more as an investment than an acquisition. He encourages a public-private partnership with the developer working with the city lowering the cost to develop it and encourages acquisition of neighboring parcels.

Michael Dunn, 8050 Nesbit Ferry Road, stated opposition to the move to acquire the land. To propose this size investment in a parcel of land where the flexibility at this point is completely unknown, the actual needs of the city over the next 5-10 years unknown, the type of facility and the flexibility that this City will require are all unknowns. So to invest \$8 million in a parcel of land, whether it will meet the long terms needs or not given it's an unknown, I think, is a poor use of tax payer funds. I am intrigued by the various arguments for and against this and it was suggested that we needed a rallying point, a place where we could turn and say that we're proud of Sandy Springs as a city. The pride that I have in this city is in recognizing that we're attempting to build the best police department,

the best fire department, the most wonderful streets, investing in parks, etc... Investing in quality of life for its citizenry is the thing we're all going to remember and talk to our children about and people in other cities and other locations. It's not that we have a pretty City building. That's the government of the past. If you were here proposing that we are going to spend \$8

million on an information system to allow the citizenry to, in effect, do the business of the city from their homes via the Internet, to provide the highest level of service possible for any citizen of any city in the United States, I'd say you were investing the money wisely. I look at this facility here. This is a wonderful facility. It is appropriate for a city of our size. It's appropriate to not look at government of the past and building edifices but, in fact, looking at governments of the future, which focus on the quality of life for our citizens.

Robin Beechey, 20 Willow Glen representing the Willow Glen Condo Association, stated support for the acquisition and hopes that if it goes through tonight it will take a step towards building a greater heart for the City. Be bold. Go ahead, please.

Jan Saperstein, owner of Sandy Springs Plaza shopping center, stated every great city in the world has an epicenter and Sandy Springs doesn't, so purchasing the property is the right thing to do. I would think, speaking for everybody in the commercial business, we don't want opposition where the City would try and offset the cost to build mixed use and competing properties, be it residential, be it commercial, be it office to help reduce the cost of the land. So it's a very big exposure for the City, but we don't want to compete with the City in working with a developer to create and to be able to bring the cost down currently.

Mark Howard stated Council members wanted an effective government that provides high quality services. Currently the City leases most of its administrative and law enforcement facilities and stated although a leased space in an office park may not have a grand civic presence, it does provide good value for the money and flexibility providing services. Continuing to lease space gives the City enormous flexibility. It will have stable income and therefore will have leverage when negotiating leases and passes the cost of maintenance services, janitorial services, and mechanical service contracts on to the landlord. The landlord then has the business agility at any time without undue administrative delay or political consequence to address problems or inefficiencies that public provision of these services would provide. If these services are provided by government they become subject to political realities: employee pressure and other forces that demand higher salaries, exclude low-cost vendors in favor of politically expedient ones. Ultimately taking on these maintenance responsibilities would result in higher costs with the same or lesser services. So, Councilmembers, you've told us that you want an effective government that provides a high quality of services, but I can't quite hear what you're saying because your actions speak so loudly.

Trisha Thompson, 145 River North Drive, stated that as a matter of history, Sandy Springs Revitalization held a two-day LCI a number of years ago, probably in the year 1999. There were many people in attendance, and they wanted people's vision of what the town center would be. At that point in time they placed any possible future of City Hall in the town center showing that it would be a rallying point. I'm not going to take either side, but that was the determination, the final determination of the LCI. Thank you very much.

Mayor Galambos read the online comments indicating that 70 percent of citizens want the City to buy it, 20 percent said no, and 10 percent were asking questions. Separately, there were 96 e-mails which were 79 percent in favor, 9 e-mails which were 7 percent against and 17 e-mails that have questions, which was 14 percent. She believes the numbers include your e-mails that were tabulated into the City list.

Councilmember Fries stated she also had some reports that are very similar. She also sent out an e-mail to many providing some information and basically got the same general response. She had 25, or 76 percent, indicating yes; 5 to state an emphatic no, which is 15 percent; and 3, or 9 percent who wanted additional information.

Ashley Jenkins stated hers was thicker with 128 e-mails saying yes, 12 saying no, and 10 asking questions which was over and above what the Mayor read.

Mayor Galambos spoke to a previous speaker's remarks who indicated the City raised taxes because it collected new revenue. The Mayor stated that the tax collector, Mr. Ferdinand, does a good job collecting and settling on taxes but doesn't consider that a tax increase, rather it's just people paying the taxes they owe. It is not some kind of a trick or

some kind of way for the City to increase its revenue. She reiterated that the funds to purchase the property would not affect any of the other capital projects that we adopted in the budget at the end of June, 2008, and would not affect the quality of any of the services the City provides. Additionally, in the first quarter of this year, which includes July, August, September, with the economy already going down, the City has experienced \$1.6 million favorable balance of budgeted revenues versus expenditures. As a result we have more revenue than was budgeted because we were more careful on expenditures and because there is additional revenue coming in. We are aware of what the economy is doing and are anticipating that there will be a reduction in revenue for the rest of this fiscal year from what was previously budgeted. We are keeping expenditures as tight as possible, and you can feel very comfortable that the City is going to be financially stable. This Council would not make any decision to spend money that we could not afford and wanted to give that assurance.

Councilmember DeJulio stated during the years that went into preparing to form the City one of the premises we built on was the premise of outsourcing services and leasing facilities. The parks and fire stations have now been purchased, but the police station is still in a temporary facility that has a lease that will expire in a couple of years, but we have an unusual situation in that during every bad economic time certain advantages and opportunities exist. As recently as last year when it was determined that the Target property would be moved, there was talk that the property would be sold for some \$2 million an acre. It was agreed that the location would be the perfect place for the City Hall, but when the economy declined, the people who thought they would be willing to pay so much money for the property fell upon harder economic times than the City did. However, since the City has been run on such an efficient basis, it has higher revenue than ever anticipated and we have held down expenses. This opportunity now exists to put this away for the long term and decide what its use will be later, but if we don't have the property we won't have that option. I support the purchase of this and the majority of the people I've spoken with support this, because they realize this is an unusual opportunity.

Councilmember Fries stated that she agrees with Councilmember DeJulio and indicates this might be a prime location to put the Hammond programs temporarily. It would be a prime location to put City Hall right there at the beginning of activities such as the concerts, the movies, the bike races, the festivals, the foot races. It would be good for our city. We have the location. We've got it at a good price. The opportunity is here and we need to act on it.

Councilmember Paul stated that public officials have an obligation to explain why we do certain things. One of the things he considers when making a decision is to go to the experts. Several were here tonight, and they were divided. He stated that he received mixed signals from the people he spoke with but indicated this was not the first step in this journey. We've been aggressive about using the private sector and their resources, innovation, and creativity to deliver services here, because it's been very successful in the first three years of operation. Unfortunately no adequate responses were received to develop something that would benefit the City.

Secondly, he stated the hope to create a center or focal point for Sandy Springs and that Roswell Road would become our Peachtree Street, our Rodeo Drive, or our Michigan Avenue or whatever the City's dreams, hopes, and aspirations are. It is his hope that this project will kick-start the redevelopment of Roswell Road. He indicated also that by putting the City government there, we're bringing people in to the City center and then businesses could feed off of the people that are coming in there. It gives control over the downtown development much more so than being able to use zoning. Zoning is a wonderful tool as a hammer. If everything you're trying to fix in land planning and development is a nail, zoning works great but it's a very limited tool and you can't really manage the kind of growth and development that we would like to see using just the Land Use Plan and Zoning.

Councilmember Paul also stated that the City would be capitalizing on the existing economic environment and that we would be getting this piece of property at a good time. The concern about the kinds of improvements and

services that this city aspires to is a legitimate concern. One of the great things about the private initiative is we have a fixed cost of operations for this city. We have a contract that determines our exact expenditures for operation, so we know already what our fixed costs are going to be for operating the basic services of this City, so that gives us a certain degree of confidence to move forward. It doesn't mean the City is going to sacrifice other projects. They are already budgeted, and we're going through with them so we're not going to be sacrificing any of our capital expenditures. None of us can

predict the future. Who knows what the conditions are going to be five years from now but looking at where we are today, I think it's the wisest step that we can make. Some of you will agree and some will disagree but you have a right to know why I'm going to vote the way I'm going to vote when we get around to voting.

Ashley Jenkins stated she did send out an e-mail and that this was not the first e-mail that was sent out four days ago. An e-mail was sent out in July requesting feedback and received a ton of responses back in July. It's been out there in the public domain since July. The "AJC" has written on it. "The Reporter" has written on it. "The Neighbor" has written on it. This is not something new. With respect to the property value freeze, we've always been under a property values freeze regardless of what the legislature does. We've had that in Sandy Springs since the inception, so that's not going to change our books any. She agrees with Councilmember Paul in that this is a once in a lifetime opportunity. The economy is down. We're getting this land cheap for what it was and what it has been historically. We're acquiring it for about a million an acre in downtown Sandy Springs. She expressed that this will be the epicenter of a great city, but we've got to jumpstart it and create some synergy in that downtown area. She indicated it is a great location and that would be the reason she is voting in favor.

Doug MacGinnitie stated that since he's raised some objection to this during the Executive Session, he would raise the same objection in a public forum as well.

He is against the purchase and states when the rest of the world is facing the worst economic crisis we've seen in the last 80 years, this City is going to be spending \$8 million on a piece of property that at best will sit empty for years if not longer. At worst it will be the first step in a \$45 million municipal complex.

There are three reasons he is opposed to it: First, he doesn't think it can be afforded. The City may have the money, but over the next 15 years if the economy holds up and tax revenues don't decrease, if operating expenses don't continue to grow, which they have in every year that the city has existed, there will be about \$225 million years to spend on capital projects. It's easily matched and surpassed by a list of capital projects that this Council has already decided should take priority over City Hall. They include the police station, rebuilding Hammond Park, continuing to repave our roads, building sidewalks, making intersection and traffic improvements, improving our parks, finding more greenspace and repairing the storm water system. The cost of these projects is well over \$225 million over the next 15 years. Until we take care of these needs, we should not be spending money on a City Hall.

Secondly, the cost for this type of City Hall is too high. Even if we did have the money, the path we're starting down is a serious waste of money. Today we pay \$1.1 million to occupy this stage for City Hall and the court system, and I think it adequately serves our needs without it being the most elegant building. To build a new City Hall and a court at this location will cost well over \$40 million when the cost is figured out on a per-year basis. The debt and the operational maintenance costs have to be paid and that works out to over \$4 million a year. That means over a 15-year period \$46 million more would be spent all for the pleasure of having a City Hall and a new court. That's a breathtaking number.

Finally he thinks the process is flawed. Tonight we're going to spend \$8 million in taxpayer money after one hearing of which we give four days' notice. And while it may have been out there before, this is the first public forum that we've asked for public comment. Despite repeated requests, he doesn't think the public has been provided with a financial analysis of the true costs and trade-offs necessary to build a City Hall and doesn't think we've done a market search of other available sites, their costs and their pros and cons. We've not availed ourselves, in any formal way, of the tremendous expertise that's in the city and a sufficient amount of time has not been dedicated to public

discussion and input for a decision of this magnitude. Although the argument that the public is in favor of putting the City Hall at this Target site and that this is a great time and opportunity, he indicated that in a vacuum it sounds great to him, too, that he'd love to have a better office but the people do not have enough information needed to make informed decisions: the costs, the benefits, and the tradeoffs. They don't have it because we don't have it. The world has changed in the last 90 days, and we need to show our citizens that we understand that and we need to focus on their needs and not our wants. For those reasons I'm going to vote against this purchase.

Councilmember McEnerny stated we have gone into Executive Session behind closed doors to discuss a real estate transaction and indicated that is a common form of prudent decision-making so that adjacent owners don't increase their prices. However, we were sure to report to the "Sandy Springs Reporter" and other media that we were considering this transaction. It was public. The Mayor had press releases. There were also interactive links on the website and there were a sufficient number of people involved as to how they perceived their tax money on the acquisition of the site would be spent.

Councilmember McEnerny stated the Council has done the homework and indicates that we are acquiring an investment. The price is reasonable and meritorious and meets the Comp Plan. This was a 16-month process of public involvement in which you, the people, suggested you wanted the City Hall to be in the town center. We have planned over two budget years to acquire a site for the City Hall and/or the Public Safety building. That's where the funds have come from with the exception that there is a \$2.5 million contingency out of this year's budget that we're adding to the 5.5 that was set aside over the last 24 months for the acquisition of a City Hall and a Public Safety building.

Can we afford the 225 million over 15 years? Right now we are exceeding our expenses by approximately 20 million dollars a year. All of us in real estate know the value of leverage. What Councilmember MacGinnitie mentioned was that 20 million that we have, if we encumber it, soon it becomes 15 or 12. I definitely think that one of the options that City Council is going to consider when the people participate in the decision to issue bonds. We have ideas on the size and the design and the price tag of the City Hall. It's not going to be made in a vacuum; you're going to participate in that. We have no bonds right now. We have no leverage. We have no outstanding debt except for the fire station and some short terms fire equipment and police automobile debt. We have no pension obligation because of the private sector partnership that we have with CH2M HILL. Therefore, I believe this is a wise and judicious decision to secure the best site in all of Sandy Springs.

Alcoholic Beverage License

Consideration of approval of an Alcoholic Beverage License Application for Cabaret Grill & Supper Club at 5920 Roswell Rd, Ste A101, Sandy Springs, GA 30328. Applicant is Walter Henry Schwab for Consumption on the Premise, Wine, Malt Beverage and Distilled Spirits.

Director of Administrative Services, Tarsha Patterson, stated that this application is relative to a change in ownership. She stated that staff has reviewed the application and all the administrative requirements have been met. The public hearing has been advertised as required and staff recommends approval.

Mayor Galambos called for public comments. There were no comments from the public.

Motion and Vote: Councilmember DeJulio moved to approve Agenda Item No. 08-290, an Alcoholic Beverage License Application for Cabaret Grill & Supper Club at 5920 Roswell Rd, Ste A101, Sandy Springs, GA 30328. Applicant is Walter Henry Schwab for Consumption on the Premise, Wine, Malt Beverage and Distilled Spirits. Councilmember Paul seconded the motion. There was no Council discussion. The motion carried unanimously.

Consideration of approval of an Alcoholic Beverage License Application for Hearth Pizza Tavern at 5992 Roswell Rd, Sandy Springs, GA 30328. Applicant is Robert Caswick for Consumption on the Premise, Wine, Malt Beverage and Distilled Spirits.

Interim Director of Administrative Services, Tarsha Patterson, stated that this application is relative to a new business. She stated that staff has reviewed the application and all the administrative requirements have been met. The public hearing has been advertised as required and staff recommends approval.

Mayor Galambos called for public comments. There were no comments from the public.

Motion and Vote: Councilmember Fries moved to approve Agenda Item No. 08-291, an Alcoholic Beverage License Application for Hearth Pizza Tavern at 5992 Roswell Rd, Sandy Springs, GA 30328. Applicant is Robert Caswick for Consumption on the Premise, Wine, Malt Beverage and Distilled Spirits. Councilmember Paul seconded the motion. There was no Council discussion. The motion carried unanimously.

Consideration of approval of an Alcoholic Beverage License Application for John's Package Store at 7227 Roswell Rd, Ste A, Sandy Springs, GA 30328. Applicant is Noorani Jalal for Retail/Package, Wine, Malt Beverage and Distilled Spirits.

Interim Director of Administrative Services, Tarsha Patterson stated that this application is relative to a new business. She stated that staff has reviewed the application and all the administrative requirements have been met. The public hearing has been advertised as required and staff recommends approval.

Mayor Galambos called for public comments. There were no comments from the public.

Motion and Vote: Councilmember Fries moved to approve Agenda Item No. 08-292, an Alcoholic Beverage License Application for John's Package Store at 7227 Roswell Rd, Ste A, Sandy Springs, GA 30328. Applicant is Noorani Jalal for Retail/Package, Wine, Malt Beverage and Distilled Spirits. Councilmember DeJulio seconded the motion. There was no Council discussion. The motion carried unanimously.

Consideration of approval of an Alcoholic Beverage License Application for Nori Nori Restaurant at 6690 Roswell Rd, Sandy Springs, GA 30328. Applicant is Michael T. Fuller for Consumption on the Premise, Wine and Malt Beverage.

Interim Director of Administrative Services, Tarsha Patterson, stated that this application is relative to a new business. She stated that staff has reviewed the application and all the administrative requirements have been met. The public hearing has been advertised as required and staff recommends approval.

Mayor Galambos called for public comments. There were no comments from the public.

Motion and Vote: Councilmember Fries moved to approve Agenda Item No. 08-293, an Alcoholic Beverage License Application for Nori Nori Restaurant at 6690 Roswell Rd, Sandy Springs, GA 30328. Applicant is Michael T. Fuller for Consumption on the Premise, Wine and Malt Beverage. Councilmember Jenkins seconded the motion. There was no Council discussion. The motion carried unanimously.

Consideration of approval of an Alcoholic Beverage License Application for Oasis Café at 350 Northridge Rd, Ste 1A, Sandy Springs, GA 30350. Applicant is Alberto Mahroum for Consumption on the Premise, Wine, Malt Beverage and Distilled Spirits.

Interim Director of Administrative Services, Tarsha Patterson, stated that this application is relative to a new business. She stated that staff has reviewed the application and all the administrative requirements have been met. The public hearing has been advertised as required and staff recommends approval.

Mayor Galambos called for public comments. There were no comments from the public.

Motion and Vote: Councilmember Paul moved to approve Agenda Item No. 08-294, an Alcoholic Beverage License Application for Oasis Café at 350 Northridge Rd, Ste 1A, Sandy Springs, GA 30350. Applicant is Alberto

Mahroum for Consumption on the Premise, Wine, Malt Beverage and Distilled Spirits. Councilmember Fries seconded the motion. There was no Council discussion. The motion carried unanimously.

River Corridor Review

RC08-03SS at 175 Spalding Mill

Director of Land Development Dettwiler stated that the property owner proposed construction of a 639 square foot garage addition onto an existing single family residential home on Lot 14, Unit 2, of the Spalding Forde subdivision. The subject application was submitted to Atlanta Regional Commission on September 23, and found to be consistent by Atlanta Regional Commission on October 21, 2008.

Mayor Galambos called for public comments. There were no comments from the public.

Motion and Vote: Councilmember MacGinnitie moved to approve Agenda Item No. 08-232, RC08-03SS at 175 Spalding Mill. Councilmember Meinzen McEnerny seconded the motion. There was no Council discussion. The motion carried unanimously.

New Business

Consideration of approval of a Resolution declaring the need for the Housing Authority of Fulton County to exercise its powers within the boundaries of the City of Sandy Springs for the limited purpose of issuing its tax-exempt bonds to finance the acquisition and rehabilitation of Hunter's Glen Apartments to be offered in part to clients of Mary Hall Freedom House.

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Mr. Willard stated there are several locations within the City that are housing individuals who are part of a transition and might be able to explain better the nature of their needs, but this is bringing it together into one housing project, a place where there would be a better ability to service their needs where they have job searching, medical needs, and they can have easier transportation to and from their homes. These are not dormitory styles. These are individuals living in family situations and will continue that way.

Councilmember Jenkins stated that Mary Hall Freedom House is a model for how people can get themselves back together and get back into the workforce. These are individuals, mothers with children, sometimes they have their kids and sometimes the courts still have their kids. It provides substance abuse, drug and alcohol education, healthcare and childcare onsite. It provides GED training and puts them in the workplace.

One of the other major components is housing so that the women can have everything they need to get back on their feet. It's about a three-year transition to come in and leave. Currently there are about 100 women that go through the program at Mary Hall Freedom House in four different complexes in Sandy Springs. There's an apartment complex that has 208 units and this will use 100 of those units for Mary Hall Freedom House program and women. The other units in the apartment complex will stay on the market as is. This will provide an additional support network for them and provide transportation to and from the Mary Hall Freedom House and also to work.

Councilmember Fries asked about the ramifications of having a rehabilitated HUD property of 208 units within the city.

Councilmember Jenkins stated there are zero financial obligations for the City and indicated that Mercy Housing buys and rehabs the property. In order to do this they must go through HUD, through Fulton County Housing Authority, in order for Fulton County Housing Authority to sell bonds so they can buy and rehab the property.

Councilmember Paul interjected to say he ran the program for six months and knows how it operates. He stated that we cannot issue bonds as a City and that only an authority within the State of Georgia can issue long term debt. All

they are doing is issuing the debt/bonds that will be repaid by the rents and that it has nothing to do with HUD other than they might get some assisted home grants and funding to support some of the efforts. It would be a privately owned project that would be funded just like some of the Fulton County Economic Development Authority projects we have and where they issue the bonds like the Development Authority issued the bonds for UPS. They hold title to that property until the bonds are paid off and then the title reverts to the private entity that is sponsoring the program, so it operates like any other authority. It is not going to be managed by the Housing Authority of Fulton County. It will be managed by the

private entity. All they're doing is allowing them to get the tax-exempt financing to lower the acquisition costs which happen quite regularly in these kinds of transitional homeless projects.

Councilmember Fries stated in order to qualify for the tax-exempt bonds they would have to offer the balance of all of the other units at a lower rate.

Councilmember Paul stated this is not a Section 8 project. It is done under a separate division. Housing is a separate division and this is administered by the offices of Community Planning and Development. Homeless programs operate

under CPD so they may get some federal funding to subsidize the rent for these homeless people, but these projects will not be Section 8 HUD houses or apartments so that you can't come in and bring a Section 8 voucher—you might be able to use it, but you could use a Section 8 voucher at any apartment in Sandy Springs but they're no more likely to be here than they would in any other apartment complex in Sandy Springs.

Mayor Galambos stated this would be 100 units devoted to these women who have problems but it's not an additional number in Sandy Springs. It's a way of consolidating 20 here, 20 here and 20 there and this time it would be 20 put together to be 100.

Councilmember Fries stated this project is going to put the women together, and they will have each other for support.

Councilmember Paul stated it would also lower the cost of transportation and the overhead of all the services.

Councilmember McEnerny stated she was thinking of the redevelopment potential in the beautiful corridor along Roberts Road of all the apartment communities that are there. She asked the members if they wanted to support a long term commitment to this property to rent and to not be able to redevelop in a longer term.

Councilmember Jenkins stated that part of what they're doing with the bonds is buying and rehabbing every single unit so there will be an upgrade on these apartments before any people move in.

Councilmember McEnerny apologized to the public stating that these issues are generally discussed in a Work Session rather than being educated in a public forum.

Councilmember DeJulio offered additional clarification indicating that the bonds will most likely be sold but that would not stop anybody from purchasing the property and paying the bonds off and although the bonds are not callable they can be put into escrow, which is the same thing as calling the bonds as far as a project like this is concerned. There will be no stipulation on this property if somebody wants to go ahead and buy it.

Mayor Galambos questioned if this gave the Fulton County Housing Authority a foot in the door to do anything else in Sandy Springs.

City Attorney Wendell Willard stated the Fulton County Housing Authority could only come into the City by invitation. They can make a request if they have another project come up but it is up to the Council to say if that request is granted or denied.

Motion and Vote: Councilmember Jenkins moved to approve Agenda Item No. 08-295, a Resolution declaring the need for the Housing Authority of Fulton County to exercise its powers within the boundaries of the City of Sandy Springs for the limited purpose of issuing its tax-exempt bonds to finance the acquisition and rehabilitation of Hunter's Glen Apartments to be offered in part to clients of Mary Hall Freedom House. Councilmember DeJulio seconded the motion. There was no Council discussion. The motion carried unanimously.

Consideration of approval of an Intergovernmental Agreement with the Fulton County Board of Education for the use of Woodland Charter Elementary School.

Recreation and Parks Director Ronnie Young stated the request is to take care of programs that were displaced by conversion of the Hammond Park Gym into a Gymnastics Center. This will not only be for basketball but it is the first activity that will be conducted at this school.

Mayor Galambos questioned if the \$10,000 will be allocated to cover expenses up to \$10,000 or is it a guarantee of \$10,000 regardless of cost.

City Attorney Wendell Willard stated this is earmarked to be used for improvements for both the City and the school and that the school agrees to this being done as a means of making the facility more useable for this purpose.

Mayor Galambos agrees with paying the school for extra expenses or for improvements but stated she doesn't want the contracts to sound like a certain amount of money is being guaranteed whether there is \$10,000 worth of expenses or not.

City Attorney Wendell Willard indicated that the City is in fact acquiring new park facilities at a very nominal cost.

Mayor Galambos reiterated that the City would not pay a set amount year after year without a justification.

Motion and Vote: Councilmember Jenkins moved to approve Agenda Item No. 08-297, an Intergovernmental Agreement with the Fulton County Board of Education for the use of Woodland Charter Elementary School. Councilmember MacGinnitie seconded the motion. There was no Council discussion. The motion carried unanimously.

**RZ08-026 - Consideration of approval of an Ordinance to Amend Article 24, Plans and Inspections, of the Sandy Springs Zoning Ordinance.
Ordinance No. 2008-11-58**

Director of Community Development Nancy Leathers stated this is an amendment to delete all of this section from the Zoning Ordinance as the language has already been placed in the Development Ordinance. This completes the action so that we have a consistent ordinance.

Motion and Vote: Councilmember MacGinnitie moved to approve Agenda Item. No. 08-298, an Ordinance to Amend Article 24, Plans and Inspections, of the Sandy Springs Zoning Ordinance. Councilmember Meinen McEnery seconded the motion. There was no Council discussion. The motion carried unanimously.

**RZ08-027 - Consideration of approval of an Ordinance to Amend Article 34, Development Regulations, of the Sandy Springs Zoning Ordinance.
Ordinance No. 2008-11-59**

Ms. Leathers stated this is already in the Development Ordinance and the request is to delete it from the Zoning Ordinance.

Motion and Vote: Councilmember MacGinnitie moved to approve Agenda Item No. 08-299, an Ordinance to Amend Article 34, Development Regulations, of the Sandy Springs Zoning Ordinance. Councilmember Meinzen McEnery seconded the motion. There was no Council discussion. The motion carried unanimously.

Consideration of approval of Resolution Appointing Members to the Sandy Springs Construction Board of Appeals.

Resolution No. 2008-11-61

Assistant Director of Building and Permitting Wesserling requests the appointment of John Willis as a former member of the Sandy Springs Construction Board of Appeals relocated to another state.

Motion and Vote: Councilmember Meinzen McEnery moved to approve Agenda Item No. 08-300, a Resolution Appointing Members to the Sandy Springs Construction Board of Appeals. Councilmember MacGinnitie seconded the motion. There was no Council discussion. The motion carried unanimously.

Resolution authorizing the Mayor to execute an option agreement to purchase Target Property Located in Land Lot numbered 89 of the 17th District.

Resolution No. 2008-11-62

Motion and Vote: Councilmember Fries moved to approve Agenda Item No. 08-301, a Resolution authorizing the Mayor to execute an option agreement to purchase Target Property Located in Land Lot numbered 89 of the 17th District. Councilmember Meinzen McEnery seconded the motion. There was no Council discussion. The motion carried 5-1, with Councilmember MacGinnitie voting in opposition.

Reports and Presentations

Quarterly Financial Briefing

Assistant City Manager Rapson stated that City officials across the country are feeling increasingly helpless due to the decline in the economy that has started to impact sales taxes, and also the housing decline is having a negative impact on intangible taxes as well as property tax revenue. Many people will go back and demand decreases for their home value and a lot of them will get them. This is a very substantial revenue loss for municipalities.

State and local governments are also getting hit pretty hard with pension retirement costs and the ability to pay those is shrinking. They are getting huge, unfunded pension obligations because of the market in general. Healthcare costs continue to have double digit increases. Compounding all of the hardships is that all of these budgets were passed prior to this financial crisis and some elected officials were unwilling to address these economic realities so what you have are reality adjustments that are getting ready to come. These haven't really hit the municipal market yet. However, if you look at the reality adjustments that are occurring right now, all over the country you hear about parks being sold and user fees increasing. You also have City workers being laid off. You can read that in the paper in the City of Atlanta and some of the other municipalities here. The expectation is that we're going to continue to have massive staffing cut-backs, reduced programming, and even doing away with entire capital plans. So this is actually the first time in two decades we have all three of the major revenue categories actually declining at the same time, which is property, sales, and income.

Sandy Springs is officially sound. I looked at October today. On the revenue basis we're actually about \$750,000 favorable at the end of October. We do anticipate a short fall that is primarily due to the reassessments for Fulton County and all of the appeals. We projected that \$3 million—I talked to the tax officer today—we're thinking it may

be closer to two million because those appeals are started to weave through the process and as they do, they actually pay that extra 15 percent, so we're going to get some pick-up there.

We're not really sure about the State of Georgia. The 600,000-dollar impact is probably going to stick unless we get Willard or somebody to do something about that.

Sales taxes are pretty much dead on and when I say *dead on* I'm talking about as a general rule. We're actually about \$36,000 to the good in September and \$25,000 to the bad at the end of October. That's pretty much dead on when you're looking at a revenue stream of almost \$2 million a month. If you remember we actually had about a 4 percent decrease there.

Community Development was decreased 21 percent. We talked about that pretty substantially. We went through the conservative nature that we had. We're actually missing that over and above the 21 percent. We're actually seeing about 7 percent. That's not looking any better. So even though we moved that back significantly, we're still losing and probably going to lose somewhere in the neighborhood of another 7 and 10 percent beyond that. That is still primarily being driven by Building Permits which is basically what you're seeing with the housing surplus and the weakening economy.

The real estate transfer and intangibles is another function of that same thing that's about 8 percent behind, and we're going to continue to probably see that as well.

Sandy Springs enjoys a very strong and diverse economy. Our revenue stream, we've got a pretty good chunk in property tax, we've got local option sales tax, and we've got a pretty strong court. All of these things impact us and make us a little bit more diverse which basically helps us in regard to this type of environment. We do expect and continue to develop the city itself as an economic hub. The residential community continues to experience significant redevelopment. I don't see that slowing down. Even in the declining marketable securities which impacts most of the municipalities to a very large extent for the defined benefit plan and also healthcare plans. We're seeing the exact opposite; we're actually an anomaly. Everybody does an analysis and throws Sandy Springs completely out. We've got a defined contribution plan, which means we don't have all of those post employment expenditures that you're hearing about and how they're crippling cities. We don't have any of that at all.

I met with the healthcare folks this past week in anticipation of this briefing, and our experience level as a city are actually extremely an anomaly as well. They actually throw us out when they do the healthcare analysis, too. I think a lot of that is because we've got a lot of folks using the health clubs now and we're actually seeing that benefit trickle.

So how is Sandy Springs recession proofing itself? It's pretty much the same plan, same approach that we've done since Day 1. We're going to continue to do sound budgeting principles and we've got adopted policies that the Council has ratified that we continue to follow. We still focus on the resource allocations of maintaining that healthy balance between staffing, operating capital, and then also having enough money in contingency.

There are very conservative revenue estimates to ensure we have financial stability and we continue to focus on revenue enhancement and cost containment measures. In September we were about a million and six less on the expenditure side that we haven't spent. That's actually grown another half a million dollars to 2.1. We've got some legislative restrictions that we have to live by, we make sure we live within our means and then we have a one-time funding source, meaning we don't, nor would we associate any revenue stream with the same type of revenue stream; so we don't use reoccurring revenues for reoccurring expenditures or reoccurring revenues for one-time type things for one-time expenses.

Executive Session

There was no need to have an Executive Session at this time.

Adjournment

Motion and Vote: Councilmember DeJulio moved to adjourn the meeting. Councilmember Fries seconded the motion. There was no Council discussion. The motion carried unanimously. The meeting adjourned at 7:39 p.m.

Date Approved: February 3, 2009



Eva Galambos, Mayor



Michael D. Casey, Interim City Clerk