Work Session Meeting of the Sandy Springs City Council was held on Tuesday, November 1, 2016, at 7:08 p.m., Mayor Rusty Paul presiding.

Councilmembers present: Council Member John Paulson, Council Member Ken Dishman, Council Member Gabriel Sterling, Council Member Tibby DeJulio, and Council Member Andy Bauman. Council Member Chris Burnett was absent.

STAFF DISCUSSION ITEMS

Public Works

1. **16-408** CC-0010 Sandy Springs Phase II Update

Assistant City Manager Bryant Poole gave the CC-0010 Sandy Springs Phase II Update PowerPoint presentation.

Scott Peters, representative of the Sandy Springs United Methodist Church, stated in attendance this evening is Mike Hadlow, who is on the Sandy Springs United Methodist Church Board of Trustees. He thanked the City for working with the church and listening to the concerns of the congregation and citizens. He thanked staff, City Manager McDonough, Assistant City Manager Poole, Mayor Paul, and Council Member Burnett for listening to the concerns and coming back with a project that the church is comfortable with and happy to see move forward.

Mike Hadlow, Sandy Springs United Methodist Church Board of Trustees member, stated the CC-0010 project involved many meetings and much discussion to arrive at where we are today. On behalf of Reverend Martin and the members, the church looks forward to being a good neighbor to the City and continuing the ministry of the church in the heart of the City.

Mayor Rusty Paul thanked Mr. Hadlow and Mr. Peters. Though the negotiations were challenging at times, the church has been very cooperative with the City. A lot of the workers at City Springs are utilizing the church parking lot and the church has been very generous with that.

Council Member John Paulson stated staff has explained that traffic flow is not as much a function of the width of the street as it is the improvement of the intersections. He asked if the new plan changed the intersection improvements that were originally planned.

Assistant City Manager Poole responded no.

Council Member Paulson stated when he looks at the cross section, it looks like the western line has been moved eight feet to the east. He asked if that is consistent along the whole lane.

Assistant City Manager Poole responded generally so., If Council approves the final design, that will be part of the right-of-way negotiations.

Council Member Ken Dishman asked if staff has an estimate for the change order cost.

CIP Unit Manager Marty Martin stated that the consultant will provide a quote, which will be presented to council once it has been reviewed by staff.

Council Member Dishman stated he assumes the reduced footprint and reduced scope will more than offset those additional costs.

Assistant City Manager Poole responded staff hopes the City will not have to acquire much right-of-way or build a huge wall, so as to see some savings.

Council Member Chris Burnett stated he echoes Mayor Paul's comments to Sandy Sprigs United Methodist Church, and appreciates the way the church has worked with the City. He asked about the original traffic study which estimated about 6,600 cars a day, and if there was a separation between southbound and northbound traffic. He asked how much daily traffic will there be for the two remaining southbound lanes.

Assistant City Manager Poole stated he does not have those numbers committed to memory.

Council Member Burnett stated a lot of complaints are about how congested traffic will be in the downtown area. The reality is the speed of the traffic. He wonders what can be done in terms of additional traffic calming to reduce the speed coming down the hill.

Assistant City Manager Poole stated that is a valid concern. The one lane concept idea in each direction showed that it will work. The speed is a legitimate concern and as part of the redesign, staff will look at what can be done from a traffic calming perspective in the southbound lane.

Council Member Burnett asked if with there now being three lanes, two southbound and one northbound, what will happen if it is determined that staff made a mistake and traffic is a challenge going northbound on Sandy Springs Circle. He asked how difficult would it be to convert one of the southbound lanes to a northbound lane. There is no traffic trouble going south on that stretch of the street, but there can be traffic issues going north in the afternoon.

Assistant City Manager Poole stated that is a plausible idea. That would not be very difficult to do.

There was a consensus of Council for staff to move forward with the outlined plans.

Public Safety

2. **16-409** Request Approval of an Ordinance to Amend Chapter 18 (Emergency Management and Emergency Services), Chapter 22 (Fire Prevention and Protection), and Chapter 105 (Buildings and Building Regulations) of the Code, relating to Multifamily Rental Housing and Related Provisions Governing Fire Safety and Prevention

Fire Chief Keith Sanders stated that nearly 60 days ago, Council directed staff to meet with the Georgia Apartment Association. Penny Round, Georgia Apartment Association Government Affairs Representative, joined staff in meeting with the attending property owners and management companies. There was a list of concerns given to staff about the original apartment amendment ordinance. As a result of that meeting, revisions were made to the ordinance that will provide the City with preventive actions to reduce the threat of fire in older structures, especially those that do not have sprinkler systems. He gave the Fire Ordinance Proposed Amendment PowerPoint presentation.

Council Member Gabriel Sterling stated if he remembers correctly, one issue that Council had was that if a building was destroyed from a fire, the new construction would have to be brought up to current code. He asked if this change is redundant to the current City Code.

Fire Chief Sanders stated the change to the code says if an individual building is valued greater than the entire development, then the entire development would have to be brought to the current code. He is not sure that any development in the City would fall under this category.

Council Member Sterling asked if a fire is in a kitchen in Unit A and there are eight units on that floor, do all the sprinklers go off or just the one in that unit.

Fire Chief Sanders stated just the fire sprinkler in that unit is activated.

Council Member Paulson stated he owns an office building in Forsyth County, Georgia. Every year the Fire Marshall inspects the fire extinguisher. He purchased a three year fire extinguisher, but he still had to have it inspected every year. The first year the Fire Marshall required him to buy a new one. He asked about the contractor tag that indicates the extinguisher has been serviced within the last sixty-five days. He asked if it has to be serviced or if the extinguisher has two more years remaining.

Fire Chief Sanders stated the extinguisher has to be serviced within the compliance dates. As long as the extinguisher is not expired, it is fine.

Council Member Tibby DeJulio asked if some of the apartment complexes will have substantial insurance savings to help offset some of the costs.

Fire Chief Sanders stated he discussed this with several insurance agents. The savings are not substantial and not all companies offer savings

Council Member Burnett asked how many apartment units will have to follow this requirement.

Fire Chief Sanders stated as of the time he shared this information with Council, almost 60% of the apartment buildings do not have sprinkler systems. He can find out how many units that equates to and get back to Council with that number.

Council Member Sterling stated he would guess that number to be about 12,000.

There was a consensus of Council to move forward with the proposed ordinance changes.

CITY COUNCIL DISCUSSION ITEMS

3. **16-410** Repeal of the Percentage Rent Law

Council Member Gabriel Sterling stated a good City is a fun City. One way to bring about a better quality of life is a broader cross-section of restaurants available to the citizens. One impediment the City currently has is what is referred to as a percentage rent law. This is a hold over from the prohibition era. The City of Roswell is the only other jurisdiction in the metro area that has this law. The City is putting its small businesses at a competitive disadvantage. The City's rents are higher than any other jurisdiction's rents for commercial real estate. National chains can sign long term leases for the higher rent rates. Smaller startup companies are having issues with the high rental rates in the City. One way the City of Atlanta has gotten around this is through percentage rent deals. Two Urban Licks started this way when the owners first paid $4 per square foot. They are now paying $40,000 in rent, because that restaurant chain is very successful. Restaurant owner, Jason Sheetz, spoke to Council regarding. as the City is trying to get more eclectic and cooler, startup restaurants the owners are having difficulty renting in the City. The reason Sandy Springs has this law is that it could stop a felon from getting around the City's alcohol license rules. That may have made sense in the past. If a felon makes enough money to purchase millions of dollars of real estate, he does not think the felon would be concerned with the $30,000 of extra income on the property. In the current license law there is a question asking if anyone else has an interest in this business. Question #11 asks if the individual owns the land or leases it. Any time there is a lease, it goes through the City's process to be inspected. The structure and the leaseholder can be seen when looking at the City's system. If there is a CRM Holdings Limited LLC, the City can look this up on the Georgia Secretary of State's website to see if someone involved has a felony. The City has leverage to keep the City safe from the unintended consequence of getting rid of this law. Right now the law is a barrier for many of the small businesses wanting to come to the City. This impedes the business's cash flow and makes it difficult for them to start. If the City repeals this law, there is a way the City can prevent felons from taking advantage. This law only affects good and honest people coming to the City. This law should be repealed to allow for more eclectic restaurants to come to the City, giving small entrepreneurs a better chance to operate in the City.

Council Member Chris Burnett stated he echoes Council Member Sterling's opinion. The City is behind the times regarding this ordinance. He had no idea the City had this ordinance until it was pointed out to him. He has worked with a lot of restaurants over the years and has gotten them into a leased space because they were able to get a low rate rental rate. The cash flow to the landlord increases as their business improves and the rest gets shared.

Council Member Sterling stated that Council Member Burnett stated that for the restaurants he works with in the City of Atlanta almost all have percentage rent deals.

Council Member Burnett stated he is not sure he has seen a restaurant that does not have percentage rent deal. There were two deals on Peachtree Street that had low base rates. Everyone has been a winner in those deals, both the landlords and the restaurant owners.

Council Member Sterling stated there was negotiation of these rates at The Prado and a pro forma stipulating that if the restaurants did a certain amount of business, that is how much money the landlord would make. If the proposed ordinance is adopted, the landlord may decide to increase the rental rate to make up for what they will be losing.

City Attorney Wendell Willard stated this ordinance is not something the City specifically adopted, but it came as a package of ordinances that were adopted from Fulton County at the time of the City's incorporation. The purpose behind it is commendable to prevent a felon from leasing or subleasing a business. There will need to be additional language in the ordinance addressing ownership of the leased premises. He thinks the ordinance can be drafted removing the language for a percentage lease arrangement and have language addressing that point. There are some properties in the City that the City is having issues with, because people who operate them have an unsavory background.

There was a consensus of Council to move forward with the proposed ordinance.

There being no further discussion, the meeting adjourned at 7:44 p.m.

Date Approved: November 15, 2016

Russell K. Paul, Mayor

Michael D. Casey, City Clerk