



SANDY SPRINGS
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SANDY SPRINGS DEVELOPMENT AUTHORITY

William "Chip" Collins, Chair
Andy Bauman, Vice Chair
Toshia Battle
Hardy Dorsey
Joe Houseman
Sunny Park
Ed Ukaonu

Thursday, January 9, 2025

Regular Meeting

8:30 AM

The Sandy Springs Development Authority Meeting will be held in the Barfield Conference Room, 2nd Floor, at Sandy Springs City Hall (1 Galambos Way, Sandy Springs, GA 30328).

Live-stream: www.SandySpringsGA.gov/Stream

- I. **Call to Order**
- II. **Roll Call**
- III. **Approval of Meeting Agenda**
- IV. **Approval of Meeting Minutes**
 - DA2025-01** May 9, 2024 Development Authority Annual Meeting Minutes
- V. **New Business**
 - DA2025-02** Introduction of New Staff Member
 - DA2025-03** 2025 Development Authority Annual Meeting Schedule
 - DA2025-04** Election of 2025 Development Authority Officers
The Chairperson and Vice Chairperson shall be elected at the annual meeting of the Authority from among the directors of the Authority, and shall hold office for one year or until their successors are elected and qualified.
 - DA2025-05** Review Development Authority Mission Statement and Guidelines
 - DA2025-06** Discuss 2025 Goals and Initiatives for Economic Development
- VI. **Other Business**
 - DA2025-07** Open Discussion and Q & A

Individuals with disabilities who require certain accommodations in order to allow them to observe and/or participate in a public meeting, or who have questions regarding the accessibility of the meeting or facilities should contact the City Clerk at 770-730-5600 promptly for assistance. The City will make reasonable accommodations for those persons.

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VII. Adjournment

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City of Sandy Springs Development Authority Meeting was held on Thursday, May 9, 2024 at 8:30 a.m., Chair Chip Collins presiding.

I. Call to Order

Chair Chip Collins called the meeting to order at 8:42 a.m.

II. Roll Call

Members Present: Chair Chip Collins, Member Andy Bauman, Member Hardy Dorsey, Member Joe Houseman, Member Sunny Park, Member Ed Ukaonu

Members Absent: Member Ed Ukaonu, Member Toshia Battle

Staff Present: Raquel González, City Clerk; Nathifa Cunningham, Assistant City Clerk; Caroline Kinchler, Economic Development Manager; Dan Lee, City Attorney

Guests Present: Jim Woodard, Gray Pannell & Woodward LLP (attended by Zoom)

Chair Chip Collins welcomed **Member Andy Bauman** to the Sandy Springs Development Authority. Former Vice Chair John Paulson was appointed to the Perimeter Community Improvement District (PCID) and there was a vacancy. Over the years we became friends through youth baseball coaching, and he is also the visionary and founder of the Sandy Springs Farmers Market.

Member Andy Bauman said **Chair Chip Collins** wrote an op-ed about building community in the Target Center which was a part of the inspiration.

Chair Chip Collins said we are happy to have **Member Andy Bauman** join the Development Authority and we look forward to working with him.

III. Approval of Meeting Agenda

Motion and vote. A motion was made by **Member Sunny Park**, seconded by **Member Hardy Dorsey** to approve the meeting agenda. The motion carried by unanimous vote.

IV. Approval of Meeting Minutes

DA2024-04 January 11, 2024 Development Authority Annual Meeting Minutes

Motion and vote. A motion was made by **Member Joe Houseman**, seconded by **Member Hardy Dorsey**, to approve the January 11, 2024 Sandy Springs Development Authority Meeting Minutes. The motion carried by unanimous vote.

V. New Business

DA2024-05 Election of Development Authority Vice Chairperson
Should the offices of Chairperson or Vice Chairperson become vacant, the

Authority shall elect a successor from its membership at the next regular meeting, and such election shall be for the unexpired term of said office.

Chair Chip Collins said since becoming Chair, the Development Authority's Vice Chair position has always been held by an appointed City Council representative, but it is the Authority's decision to nominate Member Andy Bauman to serve in this position.

Motion and vote. A motion was made by **Member Hardy Dorsey**, seconded by **Member Joe Houseman**, to approve the election of Andy Bauman as Vice Chair to the Sandy Springs Development Authority. The motion carried unanimously.

DA2024-06 Discussion of Proposed Guidelines and Application Form for New Projects

Caroline Kinchler, Economic Development Manager, said this item was alluded during the last Development Authority meeting in January. As interest rates have risen, redevelopment interest has peaked in different areas of the city with many inquiries on Development Authority assistance. There has been a formal process for guiding applicants to get to the Development Authority, but we want to standardize it. One reason is some applicants have not had positive experiences with other Development Authorities, and they want to know what is expected of them as an applicant. Standardizing the process is not only beneficial to the applicant but also the Development Authority. The presented application includes intake information, current site details, proposed project details, description of the project, and description of requested support. This indicates what they are asking for, where they propose to do the redevelopment, and the benefit to the community. Typically, a ten-year abatement is done with 50% in year one and it goes up to 5% a year. In past projects, we required a portion of those savings to be paid back to the City for certain infrastructure improvement projects. For example, with the Windsor Parkway realignment, the applicant paid a portion of their savings back to the City to help with that project. These guidelines allow for that to happen in the future.

Dan Lee, City Attorney, said if these guidelines are met then you get the incentive. That does not limit the Development Authority in offering other incentives outside of this if the facts differ from this. If the threshold is one hundred jobs and someone has four hundred jobs, their incentive should be greater than the set guidelines. These guidelines staff put together gives notice to the public that this is a threshold to get an incentive.

Chair Chip Collins said we have the discretion to and are under no obligation. Does the Authority need to move to approve the forms?

City Attorney Lee said no. The presented guidelines and application is administrative work product. If someone applies for an incentive, the request will come back to the Development Authority for a vote.

Additionally, there has been some discussion amongst City staff about the dilemma with job incentives and how it is impacted by stay-at-home workers. I hope to get an opinion from the Development Authority about if that should affect existing incentives, or if we should apply it to ongoing incentives. I am hesitant about enforcing some of these clawbacks when the clawback is against a modern move in employment. There are four employers that cannot sign the annual affidavit that they have met employment numbers that got them the incentive which might subject them to a clawback, and the reason they cannot is because some employees work from home.

Economic Development Manager Kinchler stated the incentive policy that **City Attorney Lee** is referencing was adopted by Council and the implications of that are not something that this body will need to consider and vote on. We have our Economic Development Incentive Program, and the basic criteria thresholds are X number of new jobs created, X number of capital investment, and a certain lease commitment to the property in question. In an ever-changing world, we have seen many positions that we assumed would be full-time in-office positions become hybrid or remote. How we treat those agreements that were established before COVID is the discussion we are having. There may some criteria that this body wants to add to the application when reviewing job creation thresholds. For example, only approving four companies that are hiring the minimum hybrid and they are in the office at least three days a week. This body has that right and can impose those limits.

Vice Chair Andy Bauman said the relevance here is looking for perspective incentives that might have some tie to in-office job creation. Council will have to wrestle with clawbacks. There is not a potential pending clawback on the Development Authority. The world of in-office local job creation is different than it was four years ago.

City Attorney Lee said the City Council, in deciding if they want to affect the policy, will want to receive the Development Authority's input.

Chair Collins asked what is the City's interest when trying to incentivize job creation? Is to make people want to move to Sandy Springs to fill that job? Or is it to generate economic activity that helps the tax base? Is it for the greater good and helps the bottom line of the City of Sandy Springs?

Economic Development Manager Kinchler said the City's goal is to bring employees in who are going to contribute to business growth in the local economy, shop, eat, run errands, generally contribute to the local tax base, and be positive members of society. When employees are hybrid and the job is based in Sandy Springs, but they live in some outer ring of Metro Atlanta, the City is not receiving any fringe tax benefits. For instance, if employees are here only 60% of the time it may only be 60% of the Pre-COVID benefit. If they are fully remote and live in a different state, there is not a local benefit.

City Attorney Lee said if the incentive is allowed to go on at 100% or a portion and we could not do it, an employer can know the address of that employee and where their home office is located. Being in the jurisdiction provides those economic benefits and maybe it fulfills that requirement.

Vice Chair Bauman said most economical development will be tied to physical space that is being acquired, developed, and incrementally increased within the jurisdiction and as it relates to office type jobs. That space is generally going to correlate to their needs for physical space. This is different from somebody that was in a pre-COVID world but perspective we will find that is going to be pre-selected when it gets to us. There is going to be a company coming to us and it is going to be largely tied to their physical presence and that is going to ordinarily be dictated by the warm bodies that are in that office. You are unlikely to have somebody come ask to do an eighty thousand square foot presence, expecting only ten thousand feet to be used because their workforce is remote. In practicality in the current world looking forward, there will remain a correlation. To the extent those abatements, incentives or whatever is something unrelated to physical expenditures, capital expenditures, then there will be a correlation between the physical and the actual.

City Attorney Lee said from the presentation at a Council meeting, there needs to be two avenues. One is the policymakers with good advice deciding if we affect the existing incentives for those that cannot meet their threshold, but because of the impact to office space, we look at increasing the incentive if the physical occupation of a building is just to protect the tax digest of the City for those office spaces.

Vice Chair Bauman said there is incentive for the City to have businesses that are in office but we want to fill that space with productive people. Hybrid businesses may be great, but we do want to see people return to work because it creates circulating dollars and the office real estate market.

Member Sunny Park said it may be an opportunity to create jobs for benefiting the City's revenue, not just the number of jobs. At the Port of Savannah, operated by the Georgia Ports Authority (GPA), Georgia spends millions of dollars on job creation and there were many South Carolina taxpayers crossing the river daily for work. It may be ideal to invest more of the City's budget to provide jobs in the City of Sandy Springs.

Member Joe Houseman said the incentive is key.

Chair Collins said the message is that this group supports the notion that incentives are tied to jobs which are tied to bodies that come into Sandy Springs and spend money or provide a job for people that live in the City. We agree that the hybrid work model is something that should be considered, and we support incentivizing Sandy Springs companies to have employees come in to work. **Economic Development Manager Kinchler** you spoke of an affidavit regarding the Economic Development Program. For the things the Authority approves tied to job creation, are companies required to report on whether jobs were created, how many, and more?

Economic Development Manager Kinchler said we have not previously. Annual reporting is not part of the executed agreement but may be a clause that can be included in the future, which is how it is done for the Development Incentive Program.

City Attorney Lee said there was trouble with people not wanting to sign it because for example, there may be one hundred and six jobs and thirty-one employees are at home. This makes me uneasy in representing the City and going back into a world that now has a different standard than what we will enforce.

Chair Collins said while this group can facilitate tax incentive deals, there are still many people in the community and on this board that have many good ideas and want to be doers. This board welcomes the opportunity to provide input and support wherever possible.

DA2024-07 Estoppel Certificate for Proposed Subtenant of the Sandy Springs Gateway Owner, LLC Project

Jim Woodard, Partner, Gray Pannell & Woodward LLP said the tenant for the commercial portion of the Sandy Springs Gateway Project is now SSP Chastain, LLC, but they have a substantial subtenant that is looking to move in. Part of their due diligence before signing a lease is to ensure all the real estate is intact and there are no issues. They have asked the Sandy Springs Development Authority as owner of the

project, subject to the tax incentive, to sign the Estoppel Certificate stating that the tax incentive documents are still in place with no defaults and the bondholder for the tax incentive is still SSP Chastain. They asked for a few more things that **Dan Lee, City Attorney**, and I negotiated away from, and the tax statements are correct for another two years. The subtenant wants to remain confidential, but they are a national chain that would be good for the project.

Chair Chip Collins asked does the City know the identity of the subtenant?

Gray Pannell & Woodward LLP Partner Woodard said no, and they provided a confidentiality agreement relating to government entities. However, by voting to approve this Estoppel Certificate, they will automatically become non-confidential.

Dan Lee, City Attorney said I have practiced law for a long time and have not seen this before. It appears that the subtenant had issues with another Development Authority in the country and are overprotecting themselves. Thousands of dollars were spent trying to retrofit the front of the building to fit what the subtenant wanted, and they dealt with the City as if everything depended on getting these documents done. This document has been set and matches our abatement agreement and **Gray Pannell & Woodward LLP Partner Woodard** has been a great help.

Chair Collins said this was the first project that came up when I became Chair sometime ago. Today it is probably the biggest project we have approved, and it is the Chastain Market on Roswell Road inside the Perimeter. It is recommended by **Gray Pannell & Woodward LLP Partner Woodard** that the Authority approves, and the City agrees with the project.

Gray Pannell & Woodward LLP Partner Woodward said the subtenant under the lease agreement with SSP Chastain does not need approval and a sublease can be signed without coming to the Authority. This is unique and the Development Authority should consider approving the Estoppel Certificate and authorize execution.

Vice Chair Andy Bauman said the only question in the linkage of this discussion about the Estoppel Certificate is the tenant. In the last few days, Trader Joe's announced it is going into the former Sprouts space.

Motion and vote. A motion was made by **Member Sunny Park**, seconded by **Member Joe Houseman**, to approve Estoppel Certificate for proposed subtenant of the Sandy Springs Gateway Owner, LLC Project. The motion carried unanimously.

VI. Other Business

Chair Chip Collins asked **Economic Development Manager Kinchler** to provide a general report if there are things percolating in the community that may come before the board.

Economic Development Manager Kinchler said generally there are some redevelopment projects that may come before the board, but I am not comfortable providing a report at this time.

Chair Collins said that is understandable, but this board may be presented with a potential deal to review some projects at some point this year.

Vice Chair Andy Bauman said I am glad to be here. I have broad exposure as an attorney in law and an investor in real estate and in the business community and I look forward to working with the Sandy Springs Development Authority.

VII. Adjournment

Motion and vote. A motion was made by **Member Joe Houseman**, seconded by **Vice Chair Andy Bauman**, to adjourn the meeting. The motion carried unanimously.

The meeting adjourned at 9:16 a.m.

Date approved: July 11, 2024

William ‘Chip’ Collins, Chair

Raquel D. González, City Clerk

Development Authority Board Meeting

Review Preliminary Goals for Economic
Development in 2025

January 9, 2025



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Plans & Programs to Support New Business Growth & Existing Business Retention

- Complete Perimeter Small Area Plan with Rhodeside & Harwell
- Energize local business outreach through B to B social media that profiles successful CoSS companies of all sizes
- Provide small-business training and mentoring opportunities utilizing the wealth of volunteer talent available in CoSS
- Create Sandy Springs Business Council (division of the Greater Perimeter Chamber), to focus specifically on our city
- Seek more opportunities with CoSS leadership to interact with our largest employers
- Complete and go-live with Select Sandy Springs website

Improving and/or Assisting Commercial Real Estate Projects in Sandy Springs

- City Springs 2.0
- Address aging buildings through a Citywide Design Guidelines project and consideration of pilot programs to assist owners in funding property improvements
- Evaluate competitiveness of CoSS' current incentive programs (B&O taxes, building permit & impact fees and tax abatements)
- Work as a liaison between the city and developers to move new projects forward in 2025 and beyond
- Identify ways the Development Authority can be most effective in fostering quality development in our city

