



SANDY SPRINGS

CITY CLERK'S OFFICE

PUBLIC FACILITIES AUTHORITY

Rusty Paul, Chair
Andy Bauman
Tibby DeJulio
Melody Kelley
Melissa Mular
John Paulson
Jody Reichel

Tuesday, June 17, 2025

Special Called Meeting

6:00 PM

The Sandy Springs Public Facilities Authority Meeting will be held in the Studio Theatre 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 and General Announcements

III. Approval of Meeting Agenda

IV. Approval of Meeting Minutes

1. **PFA2025-06** June 3, 2025 Public Facilities Authority Special Called Meeting

V. Old Business

VI. New Business

2. **PFA2025-07** Request for Public Facilities Authority Consideration of a Resolution to Approve a Memorandum of Understanding by and between 6150 Sandy Springs Owner, LLC, the Sandy Springs Development Authority, and the City of Sandy Springs Public Facilities Authority
(Presented by Chris Burnett, Director of Economic Development)

VII. Adjournment

*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.*

1 Galambos Way, Sandy Springs, Georgia 30328 • 770-730-5600 • SandySpringsGA.gov



SANDY SPRINGS
CITY CLERK'S OFFICE

TO: Members of the Public Facilities Authority

FROM: Chris Burnett, Director of Economic Development

DATE: June 5, 2025 Submission for the June 17, 2025 Public Facilities Authority Meeting

ITEM: Request for Public Facilities Authority Consideration of a Resolution to Approve a Memorandum of Understanding by and between 6150 Sandy Springs Owner, LLC, the Sandy Springs Development Authority, and the City of Sandy Springs Public Facilities Authority

Recommendation:

Staff recommends approval.

Background:

Trammell Crow Company, through its subsidiary, 6150 Sandy Springs Owner, LLC (collectively referred to as "TC"), has contracted with Sandy Springs Methodist Church ("SSUMC") to acquire an 8.1 acre land parcel at 6150 Sandy Springs Circle. TC plans to develop a mixed-use development known as Hillcrest, containing multi-family housing, restaurant and retail space, and a parking garage for residents and patrons. Since the City's completion of City Springs, it has maintained a parking usage agreement with SSUMC for the 105 surface parking spaces currently on the property. With SSUMC's pending sale of the property to TC, unless the City is able to structure an agreement, it will lose access to future parking on this site. As such, the City has negotiated an MOU with TC regarding the construction of 111 parking spaces to be added to the new parking garage that TC will build.

In order for the City to pay for these parking spaces and fund other road and infrastructure improvements, the Sandy Springs Development Authority ("DA") has approved an MOU outlining potential terms of a parking agreement and tax abatement structure with TC. The City's PFA is a party to this agreement and is therefore asked to review and approve this MOU so that the City can continue its work related to this parking project.

Discussion:

To fund the City's investment in its 111 parking spaces and additional road and infrastructure work, the proposal is to provide a 10-year property tax abatement under the standard terms offered in Fulton County. The City will fund the investment dollars into this project on the front-end (projected over 12 to 18 months) and recover its investment over the 10-year term of the abatement. Under the abatement, upon completion of the development project and commencement of property tax payments, in the first year, taxes will be abated by 50%, declining by 5% per year through the end of year 10 when the property taxes return to their full value.

Financial Impact:

Based on the minimum anticipated value of the tax abatement over the 10-year term, the City will receive \$4,877,333 of the tax savings to pay for the construction costs of its 111 parking spaces, plus road and infrastructure work and the expenses associated with the transaction. Any tax savings above \$4,877,333 will be retained by TC. Below is a chart of how the tax abatement proceeds will be used by the City:

City's Estimated Project Investment by category	
Estimated City Parking Cost (111 spaces)	\$3,312,303
Developer Fee (paid to Trammell Crow)	\$115,931
Sandy Springs Development Authority Fee	\$163,784
Other Infrastructure Improvements (road work, streetscape & sidewalks)	\$900,000
Estimated Legal / Closing Costs (City's attorney & Trammell Crow's attorney)	\$219,700
Contingency (5%)* (covers potential cost overruns on City's parking spaces)	\$165,615
Total Estimated Project Investment by City	\$4,877,333

Alternatives:

- 1. Instead of doing the tax abatement to fund the parking and road work, the City could pay for the spaces within its capital budget without reimbursement from the abatement, which would require a budget amendment to reappropriate funding.
- 2. City could choose not to do this transaction and lose access to the parking spaces currently on the SSUMC site.

Review:

Kristin Byars Smith, Assistant City Manager	Created/Initiated - 6/9/2025
Chris Burnett, Director of Economic Development	Approved - 6/9/2025
Kristin Byars Smith, Assistant City Manager	Approved - 6/9/2025
Toni Carlisle, Chief Financial Officer	Approved - 6/10/2025
Dan Lee, City Attorney	Approved - 6/12/2025
Eden Freeman, City Manager	Final Approval - 6/13/2025

Attachments:

- 1. PFA MOU Presentation
- 2. PFA MOU Resolution
- 3. PFA MOU

Trammell Crow Project and City Parking Spaces

Public Facilities Authority Meeting

June 17, 2025



SANDY SPRINGS
GEORGIA

Hillcrest – a Mixed-Use Development by Trammell Crow on the site of the Sandy Springs Methodist Church Hitson Center



Letter of Intent

- Tri-party agreement between the Property Owner (Trammell Crow's subsidiary entity), the Development Authority and the City (the "PFA"), intended to summarize the non-binding understanding of the business terms
- Stipulates 111 parking spaces would be designated for City use through a parking easement agreement, with approximate terms as follow:
 - First two hours free for project patrons and City Event patrons, unless designated as event parking rate
 - Revenue for City spaces shall be paid to the City
 - City obligated to fund pro rata garage expenses and capital expenditures related to the garage based on City's percentage of the total parking spaces
 - Third-party parking management company to aide in operations and revenue collections/disbursements. City will pay for event parking staff

Letter of Intent (cont.)

- Owner's right to redevelop the Parking Facility after 50 years if City has received, whether in Parking Revenue or otherwise pursuant to the City MOA, at least 200% of the hard costs associated with Owner's construction of the City Spaces (such 200% amount being the "Buyout Amount" of \$6,624,000)
- Owner has ability to pay the difference between the Buyout Amount and actual recouped amount to terminate the Parking Easement

Letter of Intent (cont.)

- Development Agreement
 - Owner would be entitled to receive a development fee of 3.5% of the hard costs of constructing the City Spaces and any related Infrastructure Improvements, if such Infrastructure Improvements are developed by the Owner
 - In no event shall City Costs exceed \$4,877,333. City Costs include:
 - Hard costs to pay for the construction of the City Spaces (to be finalized at GMP)
 - All costs associated with the Infrastructure Improvements
 - Soft costs associated with the transaction contemplated herein, estimates outlined below (and any other typically incurred as part of similar market transactions):

Trammell Crow Project - Residences at Sandy Springs - Tax Analysis:

Units	412	*Includes retail equivalent
Assumed Value per Unit*	\$289,116	
10% Mark Up	\$318,027	
Total Taxable Value	\$131,027,211	
Assessed Value	\$52,410,884	
Millage Rate	3.09%	
Annual Taxes	\$1,620,597	
Tax Growth Rate	3.00%	
Discount Rate	8%	

*Note: The assumed value per unit is derived from the amount given to Aston City Springs for their 2024 Value. A 10% markup is applied to the value for the Residences at Sandy Springs.

Tax Abatment	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Annual Taxes	\$1,620,597	\$1,669,215	\$1,719,291	\$1,770,870	\$1,823,996	\$1,878,716	\$1,935,078	\$1,993,130	\$2,052,924	\$2,114,511
% Abatement	50%	45%	40%	35%	30%	25%	20%	15%	10%	5%
Taxes Abated	\$810,298	\$751,147	\$687,717	\$619,805	\$547,199	\$469,679	\$387,016	\$298,969	\$205,292	\$105,726
Total Abated Taxes	\$4,882,847									
Net Present Value at 8% Discount Rate	\$3,603,174									

Estimated Project Investment

Estimated City Parking Cost (111 spaces)	\$3,312,303
Developer Fee	\$115,931
Sandy Springs Development Authority Fee	\$163,784
Other Infrastructure Improvements	\$900,000
Estimated Legal / Closing Costs	\$219,700
Contingency (5%)*	\$165,615
Difference retained by Trammell Crow	\$5,514
Total Estimated Project Investment	\$4,882,847

*To cover any hard cost overruns and any savings may be utilized for other infrastructure improvements following garage completion.

After City Reimbursement	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Annual Taxes	\$1,620,597	\$1,669,215	\$1,719,291	\$1,770,870	\$1,823,996	\$1,878,716	\$1,935,078	\$1,993,130	\$2,052,924	\$2,114,511
% Abatement	50%	45%	40%	35%	30%	25%	20%	15%	10%	5%
Taxes Abated	\$810,298	\$751,147	\$687,717	\$619,805	\$547,199	\$469,679	\$387,016	\$298,969	\$205,292	\$105,726
City Reimbursement	\$810,298	\$751,147	\$687,717	\$619,805	\$547,199	\$469,679	\$387,016	\$298,969	\$205,292	\$105,726
Remaining Cash Flow	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City Reimbursement	\$4,877,333									
Retained by Trammell Crow	\$5,514									
Total Abated Taxes	\$4,882,847									

Estimated Legal / Closing Costs	
Dan Lee & Jim Woodward (joint fee)	\$120,000
Alston & Bird (TC's Council)	\$97,500
Synovus	\$1,900
Recording Fees	\$300
Total Legal / Closing	\$219,700

Development Authority Meeting	6/5/2025
Council Meeting	6/17/2025
Executed Bond Documents	Mid-July

A&B Breakdown	
Bonds for Title	\$50,000
Memo of Understanding	\$7,500
Development Agreement	\$20,000
Perpetual Parking Easement	\$20,000
Total	\$97,500

Mill Rate Overview	
Fulton	0.89%
Fulton Bonds	0.02%
Fulton School	1.71%
Sandy Springs	0.47%
Total	3.09%

*Month 1 expected July 2025 closing

*Other infrastructure spend is based on parking cost timing as a placeholder

*Contingency to cover any hard cost overruns and any savings may be utilized for other infrastructure improvements following garage completion

STATE OF GEORGIA
COUNTY OF FULTON

RESOLUTION TO APPROVE THE NON-BINDING MEMORANDUM OF UNDERSTANDING (“MOU”) DATED MAY 23, 2025, BY AND BETWEEN 6150 SANDY SPRINGS OWNER, LLC (“OWNER”), THE SANDY SPRINGS DEVELOPMENT AUTHORITY AND THE CITY OF SANDY SPRINGS PUBLIC FACILITIES AUTHORITY (“PFA”) THAT SUMMARIZES THE TERMS AND CONDITIONS UPON WHICH OWNER WOULD AGREE TO CONSTRUCT PARKING SPACES AND OTHER INFRASTRUCTURE IMPROVEMENTS FOR THE BENEFIT OF THE CITY OF SANDY SPRINGS (“CITY”) TO BE LOCATED WITHIN OWNER’S NEW MIXED-USE DEVELOPMENT TO BE CONSTRUCTED ON THE PROPERTY AT 6150 SANDY SPRINGS CIRCLE, SANDY SPRINGS, FULTON COUNTY, GEORGIA (“THE MIXED-USE PROJECT”), AND TO AUTHORIZE THE CHAIRMAN TO EXECUTE THE MOU.

WHEREAS, on June 5, 2025, at a special called meeting, the City of Sandy Springs Development Authority (“DA”) approved and authorized the execution of the above referenced and attached MOU; and

WHEREAS, on June 5, 2025, the Owner and the DA affixed their respective signatures designating their mutual acceptance of the MOU; and

WHEREAS, the PFA is a listed party to the MOU and considered information regarding the MOU at its June 17, 2025, meeting.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SANDY SPRINGS PUBLIC FACILITIES AUTHORITY, WHILE IN SPECIAL SESSION ON JUNE 17, 2025, AS FOLLOWS:

1. The attached MOU is hereby approved; and
2. The Chairman of the PFA is hereby authorized to execute the MOU; and
3. The General Manager of the PFA and City Attorney are hereby authorized to take such actions deemed necessary or prudent to effectuate the intent of this Resolution.

RESOLVED this the 17th day of June, 2025.

Approved:

Russell K. Paul, Chairman

Attest:

Raquel D. González, Secretary

(Seal)

ATTACHMENT

May 23, 2025

Eden Freeman, Kristin Byars Smith, and Chris Burnett
City of Sandy Springs

RE: 6150 Sandy Springs Owner, LLC Project

This non-binding memorandum of understanding (this “MOU”) by and between **6150 Sandy Springs Owner, LLC (“Owner”)**, the **Sandy Springs Development Authority (“Development Authority”)**, and the **City of Sandy Springs Public Facilities Authority (“PFA”)** summarizes the terms and conditions upon which Owner would agree to (1) construct certain parking spaces for the benefit of the City of Sandy Springs (the “City”), (2) construct certain other infrastructure improvements for the benefit of the City in connection with Owner’s construction of its mixed-use project located in Sandy Springs, Georgia (the “**Mixed-Use Project**” and, together with the parking spaces and other infrastructure improvements, the “**Project**”), and (3) be reimbursed for the costs thereof.

This MOU is intended to summarize our non-binding understanding as to the basic business terms set forth herein, and neither Owner, the Development Authority, the PFA, nor the City shall be bound hereby unless and until the Definitive Documentation (as defined below) is executed and unconditionally delivered by all parties, which the parties agree to use good faith efforts to occur not later than July 10, 2025. Except as otherwise expressly set forth herein, this MOU is not intended to be contractual in nature, but only an expression of mutual intent concerning certain of the business terms of the proposed transaction.

1. Parking Spaces

- (a) In connection with Owner’s construction of the Mixed-Use Project, which is to be located on certain real property located at 6150 Sandy Springs Circle, Sandy Springs, Georgia 30328 (the “**Land**”), Owner will be constructing a parking facility (the “**Parking Facility**”).
- (b) One hundred eleven (111) spaces in the Parking Facility (the “**City Spaces**”) will be designated for the City’s use.
- (c) Except during City Events (defined below), the City Spaces will operate similar to existing City parking (currently assumed as open parking with QR code validation and parking monitoring similar to Ponce City Market with distinct QR codes between the City Spaces and Owner’s other parking spaces to delineate allocation of the revenue) and will be available for use by the Mixed-Use Project’s patrons and City Event patrons.
- (d) Revenue for the use of the City Spaces shall be paid to the City (the “**Parking Revenue**”), with the City having the option to designate specific event parking rates for the use of the City Spaces during events (“**City Events**”).
- (e) The City Spaces will operate under same guidelines as existing City-owned parking with an initial 2 hours free with rates charged thereafter, except for during City Events when there will be parking staff coordinating the operation and collections, as necessary.
- (f) The City’s right to use the City Spaces shall be detailed in a parking easement agreement (the “**Parking Easement**”). Among other things, the Parking Easement shall include (i) the City’s rights to the City Spaces during City Events and the revenue from the City Spaces at all times, (ii) the manner of allocating and collecting Parking Revenue from the City Spaces and the remainder of the parking spaces located in the Parking Facility, (iii) the manner for establishing operating hours and use of the Parking Facility for City Events and otherwise exclusively for the Mixed-Use Project’s patrons, (iv) the manner for ensuring that the City’s use of the City Spaces does not affect the use, enjoyment, or operation of the Mixed-Use Project, (v)

the City's obligation to fund its pro rata garage expenses and capital expenditures based on the percentage that the number of City Spaces bears to the overall number of parking spaces located in the Parking Facility, (vi) the manner for selecting a third-party parking management company to aide in operations and revenue collections/disbursements, (vii) the City's obligation to provide and pay for the full cost of any parking personnel on the date of City Events to ensure no operational issues for the rest of the Parking Facility and the Project, and (viii) Owner's right to redevelop the Parking Facility after 50 years if City has received, whether in Parking Revenue or otherwise pursuant to the City MOA, at least 200% of the hard costs associated with Owner's construction of the City Spaces (which is estimated to be \$6,624,000) (such 200% amount being the "**Buyout Amount**") (provided that, at any time, the Owner shall have the right to pay the City the difference between the Buyout Amount and the amount the City has recouped pursuant to the City MOA and through Parking Revenue and, upon such payment, the Parking Easement will automatically terminate; in such event, the parties agree to enter into reasonable and mutually acceptable documentation terminating the Parking Easement upon written request from the other party).

2. **Infrastructure Improvements**

- (a) In connection with Owner's construction of the Project, Owner and City will also discuss including in the Development Agreement and in the City MOA infrastructure surrounding the Project and from which the Project would reasonably benefit, the construction of which would not delay the completion of the Project or increase the cost of the Project (the "**Infrastructure Improvements**"), which Infrastructure Improvements may be constructed by Owner as part of the construction of the Project.

3. **Development Agreement**

- (a) Upon the closing of the transaction, Owner would execute and deliver a development agreement in favor of the City (the "**Development Agreement**"), which would obligate Owner to construct the City Spaces and the Infrastructure Improvements. The City agrees that Owner or an affiliate of Owner would be entitled to receive a development fee of 3.5% of the hard costs of constructing the City Spaces and the Infrastructure Improvements, if such Infrastructure Improvements are developed by the Owner. Exhibit A attached hereto includes the estimated costs of the City Spaces and the Infrastructure Improvements (the "**Estimated Costs**"), and the parties agree to update such exhibit as necessary prior to closing based on the updated budget for such items. The parties acknowledge and agree that the Estimated Costs include a 5% contingency to pay for any hard cost overruns associated with the City Spaces and that any contingency savings may be used to pay for, among other things, Infrastructure Improvements after the Parking Facility is completed.
- (b) Among other things, the Development Agreement would obligate the City to fund (i) its pro rata portion of the hard costs for the construction of the Parking Facility (calculated based on the number of City Spaces in relation to the overall number of parking spaces in the Parking Facility), and (ii) the entire cost of the Infrastructure Improvements. The City will fund such amounts based upon written requests delivered by Owner to the City delivered as frequently as monthly as and when Owner incurs the costs therefor. The construction contract for the construction of the Project would include a separate cost of work associated with the Parking Facility and the City Spaces and the Infrastructure Improvements.

4. **Bond and City MOA Documents.**

- (a) Simultaneously with Owner's acquisition of the Land on which the Project will be constructed, Owner, the Development Authority, and/or the third party trustee, Synovus Bank (the "**Trustee**"), as applicable, would approve and execute the following documents relating to the property tax incentive transaction for the Project (collectively, the "**Bond Documents**" and, together with the Parking Easement and the Development Agreement, the "**Definitive Documentation**"): Lease Agreement, Memorandum of Lease Agreement, Indenture of Trust, Bond Purchase Agreement, Guaranty Agreement, Deed to Secure Debt, Assignment of Rents and Leases and Security Agreement, Home Office Payment Agreement, Memorandum of Agreement Regarding Lease Structure and Valuation of Leasehold Interest, Validation Documents, a Bond Resolution, and other documents, certificates and affidavits related to the property tax incentive transaction for the

Project.

- (b) The reimbursement by Owner to the City for the “City Costs” (as defined below) would be documented in a Memorandum of Agreement by and between the City, the Development Authority, the PFA and Owner (the “**City MOA**”), pursuant to which Owner will agree to pay to the City an amount equal to the lesser of (i) the property tax savings for the Project created by virtue of the bond transaction as a reimbursement to the City of the City Costs for the City Spaces and (ii) the City Costs, it being acknowledged and agreed by the parties hereto that in no event shall Owner be responsible for reimbursing the City from the property tax savings created by the bond transaction for costs in excess of the City Costs; all additional property tax savings in excess of the City Costs shall belong to and be enjoyed by Owner pursuant to the Bond Documents. As used herein, “**City Costs**” shall mean, collectively, all of the following to the extent actually paid or incurred by the City in connection with the Project: the hard costs to pay for the construction of the City Spaces (to be finalized at guaranteed maximum price), all costs associated with the Infrastructure Improvements, and soft costs associated with the transaction contemplated herein estimates outlined as follows (any others typically incurred as part of similar market transaction); provided, that in no event shall the City Costs exceed \$4,877,333.

5. **Costs**

The City and/or the Development Authority and/or the PFA will be responsible, at its sole cost and expense, for all of Owner’s costs it incurs in connection with the transaction described herein. However, the City shall not be responsible to reimburse Owner for more than \$97,500.00 in the aggregate for Owner’s legal fees.

Notwithstanding anything to the contrary contained herein, to the extent that the transaction contemplated herein is not consummated because of a decision by the City or PFA, the City shall reimburse Owner for its out-of-pocket costs incurred directly in connection with this transaction, and this sentence shall be binding upon the parties.

[SIGNATURE PAGE FOLLOWS]

Respectfully,

6150 Sandy Springs Owner, LLC

By: *Scott Kirchhoff*
Name: Scott Kirchhoff
Title: Authorized Signatory

AGREED AND ACCEPTED:

Sandy Springs Development Authority

By: _____
Name: _____
Title: _____

Sandy Springs Public Facilities Authority

By: _____
Name: _____
Title: _____

Exhibit A

Estimated Project Investment

Estimated City Parking Cost (111 spaces)	\$3,312,303
Developer Fee (3.5% of hard costs)	\$ 115,931
Sandy Springs Development Author. Fee	\$ 163,784
Other Infrastructure Improvements	\$ 900,000
Estimated Legal/Closing Costs	\$ 219,700
Contingency (5% on construction)	\$ 165,615
Total Associated Project Investment	\$4,877,333

*Any realized tax savings above \$4,877,333 will be retained by Owner