



SANDY SPRINGS

GEORGIA

SANDY SPRINGS DEVELOPMENT AUTHORITY

William "Chip" Collins, Chair

Andy Bauman, Vice Chair

Toshia Battle

Hardy Dorsey

Joe Houseman

Sunny Park

Ed Ukaonu

Tuesday, July 29, 2025

Special Called Meeting

8:00 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

Call to Order

Roll Call - Secretary

Approval of Meeting Agenda

Approval of Meeting Minutes

DA2025-10 June 5, 2025 Development Authority Meeting Minutes

New Business

DA2025-11 Authorize Execution of Legal Documentation by and between 6150 Sandy Springs Owner, LLC (the Developer of the Hillcrest Mixed-Use Project at 6150 Sandy Springs Circle) and the Sandy Springs Development Authority Pertaining to the Construction of 111 Parking Spaces for the City of Sandy Springs Public Facilities Authority and the Issuance of a Property Tax Abatement Program Associated Therewith

(Presented by Chris Burnett, Director of Economic Development)

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

City of Sandy Springs Development Authority Meeting was held on Thursday, June 5, 2025 at 8:30 a.m., Chair Chip Collins presiding.

I. Call to Order

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

II. Roll Call

Members Present: Chair Chip Collins, Vice Chair Andy Bauman, Member Hardy Dorsey, Member Toshia Battle, Member Ed Ukaonu (attended by Zoom), Member Joe Housemen (attended by Zoom)

Members Absent: Member Sunny Park

Staff Present: Chris Burnett, Director of Economic Development, Madison Melton, Economic Development Specialist, Kristin Byars Smith, Assistant City Manager, Raquel González, City Clerk, Nathifa Cunningham, Assistant City Clerk

Guest Present: James (Jim) Woodward, Partner, Gray Pannell & Woodward LLP, Benjamin Price, Attorney, Gray Pannell & Woodward LLP

III. Approval of Meeting Agenda

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

IV. Approval of Meeting Minutes

DA2025-08 January 9, 2025 Development Authority Annual Meeting Minutes

Motion and vote. A motion was made by **Member Hardy Dorsey**, seconded by **Member Toshia Battle**, to approve the January 9, 2025 Sandy Springs Development Authority Meeting Minutes. The motion carried by unanimous vote.

V. New Business

DA2025-09 A Review of a Tax Abatement Proposal for the Trammell Crow Company, through its entity, 6150 Sandy Springs Owners, LLC, Related to a New Mixed-use Residential/Retail Development on the corner of Mt. Vernon Hwy. and Sandy Springs Circle.

Director of Economic Development Burnett said this new project is a mixed-use development by Trammell Crow Residential in partnership with Third & Urban and, for decades the site was owned by the Sandy Springs Methodist Church. It is in the shadow of City Springs and is on the southwest corner of the intersection of Mount Vernon and Sandy Springs Circle. The site is 80.1 acres of principally residential which includes three hundred sixty two multi-family units, thirty town homes and eighteen thousand square feet of retail and restaurant space.

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



Vice Chair Andy Bauman asked are these all rentals?

Director of Economic Development Burnett said yes. It is an all rental community and there is not a for sale component of this development.

Chair Chip Collins asked for an orientation of the streets around the site.

Director of Economic Development Burnett said this rendering shows Sandy Springs Circle southbound towards Hammond.

Chair Chip Collins asked is the street at the bottom Sandy Springs Circle?

Director of Economic Development Burnett said correct. To the right is the intersection of Melbourne.

Chair Chip Collins asked is that a new street going through and relatively an entrance to the parking lot?

Director of Economic Development Burnett said it will become a pass through road through the development that will be directly in front of where Hilderbrand comes into Sandy Springs Circle. It will go through the site and come out on Mount Vernon where the current driveway for the church comes out. This presentation today is an abatement for a portion of the parking that will be for City use.

Member Hardy Dorsey asked is there a mixture of people who have lots of means and people having difficulty paying their bills?

Director of Economic Development Burnett said this is a market rate deal. Given construction costs and interest rates, these will be about \$3.00 per square foot. That is not considered affordable housing.

Vice Chair Bauman asked is that all stick building?

Director of Economic Development Burnett said yes. It will be stick-built over two stories of concrete on either side.

Vice Chair Bauman said we have had no say in this.

Director of Economic Development Burnett said that is correct. It has been negotiations between the church. They have tried to sell the land since 2016. There were discussions with their congregation then about monetizing the land. The church was already experiencing a downward trend in membership, tithes and offerings that was exacerbated by COVID. Churches with real estate assets like this are now converting

those into cash that will go into endowment funds to help sustain their church operations or be used to build new facilities or renovate facilities.

Vice Chair Bauman said it is privately financed but it is equity and then debt other than this piece is all private.

Director of Economic Development Burnett said that is correct. It is traditionally financed and probably a 60/40 split of a sixty percent senior debt provided by a bank and forty percent provided by an equity partner. One reason development is slow is because we still have challenges in the financial markets to be able to secure the debt and capital required to do a project like. This speaks well to the quality of development and developers and their capacity to raise debt and equity in a tight financial market.

Chair Chip Collins said this body is able to use the tax abatement to encourage and induce development that might not otherwise occur. Someone may ask why do we need to give them any breaks to encourage development of the site as this is one of the most prime piece of real estate in Sandy Springs?

Director of Economic Development Burnett said this is because of the parking that the City is given for this transaction. Currently, there are one hundred and five surface parking spaces part of the Hitson Center. That is available for City use during events for example concerts. When the City Springs Theatre Company has a sold out show, the deck is full. That will be at least fifty or sixty nights a year plus the other events that occur but those spaces will be gone.

At a luncheon months ago, **Vice Chair Bauman** raised the topic that with the City's surface spaces going away, because of the redevelopment site, would it be possible for us to consider city spaces in the garage. This requires an expansion because of four hundred forty spaces that were originally for development. They considered it and said yes they could add city parking. Once they confirmed they could make parking available for our use, we discussed how to structure and fund it. Tax abatement is specific only to the one hundred eleven spaces that would be city spaces, which is why it is being abated to create an asset for the citizens of Sandy Springs to use for parking events.

Vice Chair Bauman said one purpose of this meeting was parking. The City has seen parking at extraordinarily high numbers and needs more parking for events. When these additional spaces are developed, every study has shown the City is under-parked. We saw about \$40,000 to \$50,000 per space and they are already building a deck on a bigger property and, more spaces than the City was going to build. For obvious reasons, the price per space compared to what the City will have to pay is lower. Concern of Council include having more incentives for affordable components of these projects and affordable housing. We hoped those town home would be for sale. Are they not getting every unit of density out of this that they could and this is just a project they want to build?

Assistant City Manager Byars Smith said yes.

Vice Chair Bauman said we also discussed considering more density and include some potentially affordable housing but this project was happening. This was a good way for the City to replace the parking that was going to be lost. **Director of Economic Development Burnett, Dan Lee, City Attorney,** and their teams have done a great job coming up with a pilot program to do this. The good news is we address the parking at less cost. Using the tool of the Development Authority means that economically the City gets a great deal on additional parking at fifteen cents on the dollar.

Chair Chip Collins said the deck will be closer to where we are now and people will use it.

Vice Chair Bauman said there may not have been initial universal agreement to do this and there was some resistance but they used their collective minds. It is close to Heritage and at some point we want to develop other parcels across the street. Whatever number we need, you can reduce one hundred ten from that calculation we were to build one hundred cents on the dollar for about \$40,000 per space.

Chair Chip Collins asked would these spaces serve the retail in this site?

Director of Economic Development Burnett said these spaces are in addition to the four hundred plus spaces that were going to be built to serve the residential. They are adding one hundred eleven extra spaces for the City. During any City event, we will have exclusive rights to those spaces. We can go through this and we discuss the letter of intent.

Letter of Intent

- Tri-party agreement between the Property Owner (Trammell Crow's subsidiary entity), the Development Authority and the City, 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
- 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)

Vice Chair Bauman said it runs with the land if they sell it the City still has an agreement.

Director of Economic Development Burnett said that is correct. It runs with the land. Even if they sell the project, the City's fifty year agreement continues.

Vice Chair Bauman asked does that come to the Development Authority, Public Facilities Authority (PFA), or the City?

Director of Economic Development Burnett said it may be the PFA.

Jim Woodward, Partner, Gray Pannell & Woodward LLP, said the tax incentive will be reviewed first on my side and that is what is being voted on today. Then there will be a second agreement between the

City, Development Authority, and Trammell Crow. That is payments back over a term of years. The parking agreement will be finalized in the next few weeks.

Member Toshia Battle asked is the current parking used for City events, Staff, or any other day?

Director of Economic Development Burnett said there is little usage in a normal work day. There is plenty parking in the deck for all City employees in this building. With most of the retail trade there is a shortage on Friday and Saturday night and especially with a sold out show.

Vice Chair Bauman asked are volunteers also parking there?

Director of Economic Development Burnett said yes.

Member Toshia Battle asked when there is no large event, can the spaces be used for this development as well including restaurant overflow and residential?

Director of Economic Development Burnett said yes if nothing were happening at the City but, under permitting requirements they must have adequate spaces to park their residents.

Vice Chair Bauman said these were not spaces they were planning to build. It was only the suggestion of the City that we add to the spaces that they were planning to build.

Chair Chip Collins said we cannot stop them. If someone there has a guest for the weekend and they want to pay, we will take the money. The same with restaurants. **Director of Economic Development Burnett** is there a similar arrangement with our deck now?

Director of Economic Development Burnett said the apartments have their dedicated spaces. They may pay the City for those spaces.

Assistant City Manager Byars Smith said that information is not available now.

Dan Lee, City Attorney, said they do not pay for the spaces but we have a covenant with them as with any property owner to share in the common maintenance of the different areas. It is the reverse of what we are proposing with the church. It is the same sort of rule for designated parking places but there will be some common maintenance issues. In this discussion of parking policies, we are acting as a property owner but, when the deal is done we will be back being a city.

Chair Chip Collins asked have there been any issues with the share arrangement with this deck?

City Attorney Lee said no.

Letter of Intent

- Owner has ability to pay the difference between the Buyout Amount and actual recouped amount to terminate the Parking Easement
- Development Agreement

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- 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):

Director of Economic Development Burnett continued to say this property is currently not on the tax digest since it is owned by the church nonprofit organization and is exempt from property taxes. It will be under Fulton County and the City of Sandy Springs. In estimating the property taxes, we used data from Ashton Springs, the apartments here at City Springs. We put some value increase due to cost increases.

| Trammell Crow Project - Residences at Sandy Springs - Tax Analysis | | | | | | | | | | |
|--|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Units | 412 <small>*Excludes retail equivalent</small> | | | | | | | | | |
| Required Value per Unit* | \$208,110 | | | | | | | | | |
| 10% Mark Up | \$318,027 | | | | | | | | | |
| Total Excess Value | \$131,657,211 | | | | | | | | | |
| Assessed Value | \$22,420,084 | | | | | | | | | |
| Millage Rate | 3.00% | | | | | | | | | |
| Annual Taxes | \$1,620,387 | | | | | | | | | |
| Tax Growth Rate | 3.00% | | | | | | | | | |
| Discount Rate | 8% | | | | | | | | | |
| <small>*Note: The assumed value per unit is derived from the amount given to Ashton City Springs for their 2024 Value. A 10% markup is applied to the value for the Residences at Sandy Springs.</small> | | | | | | | | | | |
| Tax Abatement | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| Annual Taxes | \$1,620,387 | \$1,669,215 | \$1,719,201 | \$1,770,878 | \$1,823,096 | \$1,876,718 | \$1,930,078 | \$1,983,130 | \$2,035,924 | \$2,114,511 |
| % Abatement | 50% | 45% | 40% | 35% | 30% | 25% | 20% | 15% | 10% | 5% |
| Taxes Abated | \$810,194 | \$751,147 | \$687,717 | \$619,808 | \$547,189 | \$469,679 | \$387,181 | \$298,969 | \$206,292 | \$105,726 |
| Total Abated Taxes | \$4,882,847 | | | | | | | | | |
| Net Present Value at 8% Discount Rate | \$3,663,174 | | | | | | | | | |
| Estimated Project Investment | | | | | | | | | | |
| Estimated City Parking Cost (111 spaces) | \$3,312,303 | | | | | | | | | |
| Developer Fee | \$115,931 | | | | | | | | | |
| Sandy Springs Development Authority Fee | \$103,784 | | | | | | | | | |
| Other Infrastructure Improvements | \$900,000 | | | | | | | | | |
| Estimated Legal / Closing Costs | \$219,700 | | | | | | | | | |
| Contingency (5%)* | \$185,615 | | | | | | | | | |
| Difference retained by Trammell Crow | \$5,514 | | | | | | | | | |
| Total Estimated Project Investment | \$4,882,847 | | | | | | | | | |

Vice Chair Bauman asked is it correct this is all the City’s discretion?

Director of Economic Development Burnett said correct.

Vice Chair Bauman said under the City’s development code, none of the infrastructure work was ever going to be on their side to do. This is all the City’s discretionary work. We are taking advantage of this deal and this structure that we are now doing to fund discretionary infrastructure improvements close to a million dollars because we are adding it on to this particular deal at about fifteen cents on the dollar. Is that right?

Assistant City Manager Smith said for anything they are required to do, they will conduct a traffic study as part of their lane disturbance permit and anything they are required to do from an infrastructure perspective will be included in that.

Vice Chair Bauman asked on their side?

Assistant City Manager Smith said yes at their own cost. This would be above and beyond anything that is required.

Vice Chair Bauman asked that we want?

Assistant City Manager Smith said correct.

City Attorney Lee said when the City is involved in a deal like this, we must be careful. Included in this development, at least one street will be added and those will be controlled by the permitting office.

Director of Economic Development Burnett said there have been discussions to make downtown safer, more walkable and bikeable, and more beautification initiatives so people realize they are coming into City Springs. These dollars will help to fund all those initiatives especially the safety component.

Chair Chip Collins asked are those attorney fees or an estimate of hourly fees?

Gray Pannell & Woodward LLP Parter Woodward said flat fees contingent upon closing then continued with the presentation.

Vice Chair Bauman asked what are they doing with the money they are saving?

Gray Pannell & Woodward LLP Parter Woodward said as with other transactions, for the governmental investment, they are going to reimburse us for that. There will be a separate agreement between the City, this Development Authority and Trammell Crow. They agree to reimburse us for that amount and that amount is coming back to the City to cover the cost of parking and streetscapes and more.

Vice Chair Bauman said the tax savings that is realized is then paid in a like amount in lieu of taxes to the City. Is that right?

Gray Pannell & Woodward LLP Parter Woodward said yes. The company will agree to pay a contract payment back to the City. That is the structure but the original one is providing a tax incentive for the project.

Chair Chip Collins said this is a mechanism that is allowing the City to incorporate needed parking in this project for much cheaper than we would be able to build somewhere else around here. Is that correct?

Gray Pannell & Woodward LLP Parter Woodward said that is correct.

Chair Chip Collins said the City will have to have and this is one way to have a win-win. What should the motion be?

Gray Pannell & Woodward LLP Parter Woodward said it could be as simple as a motion to approve the bond resolution as presented.

Chair Chip Collins said this will be an approval for us to do the deal.

Gray Pannell & Woodward LLP Parter Woodward said this gives initial authorization to move forward.

Member Toshia Battle asked for clarification on what was said about bond resolution taxes.

Gray Pannell & Woodward LLP Parter Woodward said the bond resolution as presented is the motion allowing us to move forward. Also the tax incentive portion which is a reduction of property taxes, authorizes that transaction but it is not required.

Chair Chip Collins asked what happens if we do not approve it? Does the project still go forward but without the extra parking spaces?

Director of Economic Development Burnett said it does. Their project is not contingent upon the City.

Chair Chip Collins said but the City will have to find another place to build one hundred eleven spaces.

Director of Economic Development Burnett said that is correct.

Motion and vote. A motion was made by **Member Toshia Battle**, seconded by **Member Hardy Dorsey**, to approve the bond resolution as presented. The motion carried unanimously.

VI. Other Business

Chair Chip Collins said the Development Authority fee is going to be about \$160,000 to use as deemed fit for the purposes of this authority. For example, we have done concerts, sponsorships and more. How much do we have in our account now?

Director of Economic Development Burnett said it may be about \$550,000.

Chair Chip Collins said **Director of Economic Development Burnett** please consider ways to use funds, more than just sponsorship, and might lead to some project that better the City. This could be an event for developers in the community for example, or something else.

Member Toshia Battle asked if this is approved and we have one hundred and eleven parking spaces, will that be enough if the City needs additional parking for all events?

Director of Economic Development Burnett said we have discussed more than one hundred and eleven.

Assistant City Manager Smith said this will help replace the spaces we are already using for overflow parking for bigger events. We do not always have to use that. It is only for large events. For massive events with thousands of people like Fourth of July, we do not have enough parking but at some point the City will need additional spaces.

Vice Chair Bauman said if we go to redevelop the three parcels that we have, Heritage and two across the street, we knew we need parking and this project will subtract from district parking that we would have to find a way to replace it. Even if they stayed as usable green space, their proximity to that site with safe crossing over Sandy Springs Circle would be very helpful. The trajectory for the parking will do nothing but increase over time.

Chair Chip Collins asked **Assistant City Manager Smith** in your field of work, is there any discussion on what parking looks like ten years from now?

Assistant City Manager Smith said technology changes so rapidly that it is hard to say where we will be and when we will be there. We anticipate parking needs to change over time. In the meantime, there will be parking needs here for a long time. We have made changes already so we do not have minimum parking standards in the same way that we used. Our development code changed over time. The parking needs are shifting but, not as rapidly as we might have thought a few years ago.

Vice Chair Bauman said we are just adding to a parking deck that is being built and this is efficient. **Councilmember Melissa Mular** has discussed a façade incentive program. One challenge in Sandy Springs is older retail and maybe the Development Authority can get property owners to improve the looks of their property. The majority would be paid for by those property owners but as potentially a facade improvement incentive to spur redevelopment.

Assistant City Manager Smith said we are working on design guidelines now to give a basis to create some façade improvement program. It is a recommendation within the City Springs Master Plan. We anticipate looking at this early to mid-2026.

Vice Chair Bauman said it is a good idea to not leave money bank.

Chair Chip Collins said especially since this will be refilled.

Member Toshia Battle said currently we are not getting any income that the church is allowing us to park.

Vice Chair Bauman said we are paying them a small fee.

Director of Economic Development Burnett said we will go from paying a fee to earning.

Member Toshia Battle asked what is that fee?

Vice Chair Bauman said it is very small.

Director of Economic Development Burnett said as our events continue to grow, we are doing research on attendance. Two big signature events, Fourth of July had over ten thousand people and Sparkle Springs had over six and a half thousand people. We will look at technology for accuracy in tracking attendance. As we continue to grow, transportation in general will continue to become an important piece of getting our citizens in and out as efficiently and effectively as possible. Parking is one of the components to continue to work on.

Vice Chair Bauman said the infrastructure piece of this should not be understated. That \$900,000 to a \$1,000,000, we as a city want the folks that are going to this development living in the apartments and town homes and the people that visit those restaurants to come here. We want them to safely come across the street to our events and our restaurants that are here. The goal of this district is this interconnectivity and that is a good add to this project to do some infrastructure improvements that would integrate the two properties. We have so much going on around here. This includes the Kroger Center with lots of restaurants, the Brooklyn Café, then where the Trader Joe's is. What is missing is a lot of the safe connections and we want to get people to our restaurants and events.

Member Joe Houseman said this was a great presentation and a great idea for the City of Sandy Springs.

VII. Adjournment

Motion and vote. A motion was made by **Member Hardy Dorsey**, seconded by **Member Toshia Battle**, to adjourn the meeting. The motion carried unanimously.

The meeting adjourned at 9:36 a.m.

Date approved: July 17, 2025

William 'Chip' Collins, Chair

Raquel D. González, City Clerk

July 29, 2025



SANDY SPRINGS

GEORGIA

TO: Sandy Springs Development Authority

FROM: Chris Burnett

SUBJECT:

Ratification of Documents Required to Execute the Property Tax Abatement Program with 6150 Sandy Springs Owner, LLC (subsidiary of Trammell Crow Co., hereinafter “TC”) relating to the construction of 111 City-owned parking spaces within the parking garage to be constructed as part of the mixed-use development known as “Hillcrest” to be located at 6150 Sandy Springs Circle, Sandy Springs, GA (the “Project”)

The request to the SSSA is to provide final ratification of the documents and structure for the above-referenced Property Tax Abatement program related to the Project. On June 5, 2025, the SSSA authorized the execution of a Memorandum of Agreement with TC outlining the terms and conditions of the Project. A copy of said MOA is attached for your review.

During the past several weeks, the City, TC and our respective attorneys have been negotiating the legal documents for the Property Tax Abatement and the Parking Easement and Usage agreements and we now seek final authorization of the SSSA to proceed with the execution of the documents required to close the transaction.

The general terms and conditions outlined in the attached MOA have all been memorialized in the documents that the City, the SSSA and the Public Facilities Authority will execute. There are a few primary points that we wish to bring to the attention of the SSSA that have been highlighted in in the MOA. Outlined below is the projected funding for this transaction:

1. On the date of closing, which we anticipate to be July 30, 2025, we will fund \$383,484, of which \$165,615 will be funded directly back to the DA to pay the fee to the DA for this transaction. The remaining \$219,700 will be disbursed for attorneys’ fees for the transaction.
2. Within 30-days of the closing, we will deposit \$3,593,849 into a city-controlled escrow account with these funds being earmarked as follows:

- a. \$3,312,303 designated for hard cost of construction for 111 parking spaces to be owned under an easement agreement that is part of a 646-space garage.
 - b. \$115,931, which is 3.50% of the hard cost of construction and is the Developer Fee paid to TC for construction of the parking spaces.
 - c. \$165,615, which is 5.00% of the hard cost of construction and will serve as a contingency reserve for potential construction cost overruns.
3. The City will engage the services of a construction inspection firm or other such qualified construction specialist to monitor the construction of the garage and payment applications submitted by TC to the City to fund the cost. Upon approval of the invoices, funds from the Escrow Account will be forwarded from the City to TC on a percentage of completion basis as construction of the garage progresses. If there are invoice disputes, the agreement allows for the City to withhold funds from the draw requests and there is an established method to dispute invoices and to go to arbitration if the disputes cannot be resolved between the City and TC.
 4. \$900,000 in funding will be held by the City and applied in the future to road improvement and infrastructure projects around the City Springs area to improve the safety and appearance of our streets and streetscapes.
 5. As agreed upon originally in the MOA, the City's total investment in the Project will be capped at \$4,877,333 and this cap is memorialized in the legal documents.
 6. The Tax Abatement program for TC will follow the standard abatement terms for Fulton County. Upon issuance of the CO, in the first year that full property taxes are due, TC's tax bill will be reduced by 50%. Each year thereafter, the reduction in taxes will decline by 5% so that by the end of the 10th year, the abatement will come to an end. TC will in turn remit all of its annual tax savings to the City for the number of years required for the City to recover its front-end investment of \$4,877,333. Any tax savings above \$4,877,333 (after the City has been fully paid this amount) will be retained by TC.

As we discussed at the previous meeting, the agreement with TC will allow the City to get 111 spaces in the Hillcrest garage to replace the spaces that the City is currently using on this site. The tax abatement will allow for the City's investment in parking and road infrastructure to be repaid over the ten-year term of the program. Fulton County has already signed-off on the abatement, so approval by DA in conjunction with approval by Council and the PFA will allow us to proceed with this transaction. Therefore, we request your ratification of this agreement.



Chris Burnett
Director of Economic Development

Trammell Crow Company

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

Signed by:
By: William C. Collins, Jr.
Name: William C. Collins, Jr.
Title: Chairman

Sandy Springs Public Facilities Authority

Signed by:
By: Russell Paul
Name: Russell Paul
Title: Chairman

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