

**Special Called Meeting of the City of Sandy Springs Public Facilities Authority
Barfield Conference Room, Sandy Springs City Hall and Broadcast Via Live Webinar and
Teleconference
July 29, 2025 at 1:30 PM
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Special Called Meeting of the Sandy Springs Public Facilities Authority was held on July 29, 2025 at 1:30 PM, Mayor Rusty Paul presiding.

I. Call to Order

Chair Rusty Paul called the meeting to order at 1:30 p.m.

II. Roll Call

Members Present: Chair Rusty Paul, Member John Paulson, Member Melissa Mular, Member Jody Reichel, Member Tibby DeJulio, Member Andrew Bauman (attended by Zoom)

Members Absent: Member Melody Kelley

III. Approval of Meeting Agenda

Motion and vote. A motion was made by **Member Tibby DeJulio**, seconded by **Member John Paulson**, to approve the meeting agenda. The motion carried by unanimous vote.

IV. Meeting Minutes

Motion and vote. A motion was made by **Member Jody Reichel**, seconded by **Member Melissa Mular**, to approve the meeting minutes. The motion carried by unanimous vote.

1. **PFA2025-11** July 15, 2025 Public Facilities Special Called Meeting

V. New Business

2. **PFA2025-12** Request for Public Facilities Authority Consideration of a Resolution to Approve Agreements between Trammell Crow Co. and Sandy Springs Public Facilities Authority for the Hillcrest Mixed-Use Project at 6150 Sandy Springs Circle

Chris Burnett, Director of Economic Development, presented a recommendation to Approve Parking Agreements between Trammell Crow Co. and Sandy Springs Public Facilities Authority for the Hillcrest Mixed-Use Project at 6150 Sandy Springs Circle.

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 multifamily 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.

On June 17, 2025, the PFA authorized staff to negotiate a Memorandum of Agreement ("MOA") with TC regarding the construction of 111 parking spaces to be added to the new parking garage that TC will build. The Sandy Springs Development Authority has also authorized staff to proceed with the issuance of a property tax abatement program whereby TC will receive tax savings over a ten-year term that it will in turn pay to the City, up to \$4,877,333, to reimburse City for its investment in the parking spaces and surrounding infrastructure work. In recent weeks, TC and staff have been negotiating the documents

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required to consummate the terms agreed to in the MOA and PFA is now being requested to authorize the City Manager and City Attorney to execute the documents on behalf of the PFA to consummate these agreements.

The general terms and conditions outlined in the attached MOA have all been memorialized in the documents that the City, the SSDA and the Public Facilities Authority will execute. There are a few primary points that we wish to bring to the attention of the PFA that have been highlighted 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 the City to withhold funds from the draw requests and there is an established method to dispute invoices and pursue 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.

Therefore, Staff recommends that the PFA authorize the City Manager and City Attorney to proceed with execution of the documents required to consummate the parking agreements with TC.

Motion and second. A motion was made by **Member Melissa Mular**, seconded by **Member Jody Reichel**, to Approve Parking Agreements between Trammell Crow Co. and Sandy Springs Public Facilities Authority for the Hillcrest Mixed-Use Project at 6150 Sandy Springs Circle.

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Member John Paulson asked who is the representative that will help ensure the City is not paying ahead of schedule?

Director of Economic Development Burnett said there was a discussion to bring in an independent construction evaluation firm but that decision has not been finalized. Staff expertise is available and we can utilize that, but most likely we will have a firm that specializes in independent construction management through this project.

Dan Lee, City Attorney Lee, said Trammell Crow has a lender that will have the same inspection and progress payments as well in addition to what the City needed.

Member Tibby DeJulio said it was mentioned the City is responsible for 17.2% of operating expenses of the garage. This is assumed to be maintenance and repairs. Also, they will charge for parking and a company will run it for them. Has it been defined what the expenses are?

Director of Economic Development Burnett said one company listed is Twelve Oaks. They manage the City's parking but they may not be selected. Trammell Crow and the City will determine who the best parking management company will be. Parking management fees are part of the operating budget. This includes maintenance, restriping, insurance, utilities, lighting and more that they will pay as well. We will share in 17.2% of those parking facility management costs for the duration of the agreement.

Member DeJulio said for our revenues, whoever they choose for their management would not be involved and whatever revenues they bring in we would not be involved. Will it still be bundled together?

Director of Economic Development Burnett said correct. They will receive revenues if they charge revenues. There will be dedicated parking for residents. It will probably be added to the rental expense when a rental rate is quoted. The spaces not dedicated to residents will be used by folks that come to dinner there, or the ice cream shop and more. That is going to be surface parking and where people want to park first. They may use the same barcode system where it is all electronic with limited staff to run the parking garage. Their revenues for their spaces will be aggregated to them. The revenues for our one-hundred eleven spaces will be aggregated to us. Some accounting will be necessary from the parking management company, City of Sandy Springs, and Trammell Crow to make sure that we are in sync with each other on a recurring basis.

Member Reichel asked is there an agreement that says we have to charge the same amount or do we charge one price and they another? Are our spaces just for what happens here? How do we keep others from using that?

Director of Economic Development Burnett said we will provide Trammell Crow a list of major city events and our one hundred eleven spaces will be reserved for our patrons. If there is nothing happening at City Hall but there is a busy restaurant crowd, and some patrons park in city spaces, we get the revenue from those spaces. With major events, we will let them know that none of the one hundred eleven spaces can be used.

Chair Paul said we are moving to a lot of paid parking in the City Springs area. Different systems will lead to more confusion. We want parking to be seamless across the whole area. How do we harmonize various systems though they may choose a different vendor? Are these systems vendor dependent or can any vendor use it?

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Director of Economic Development Burnett said our preference is to have Twelve Oaks manage city spaces. We have no obligation to use Trammell Crow's parking vendor. If it is Twelve Oaks, we are getting exactly the same system we have here.

Dave Wells, Director of Facilities/Capital Construction and Building Operations, said most of those systems are not company oriented and everyone uses the same platforms. The coordination with the parking company is key because that is where customer service calls are going.

Director of Economic Development Burnett said we occasionally get parking complaints for example, someone just does not like the barcode system, but that has slowed down..

Chair Paul said it goes away as people get used to it.

Member DeJulio said at the end of fifty years, the spaces will revert back to them or whoever the owner is and we have no further obligation or asset.

Director of Economic Development Burnett said correct. If Trammell Crow wants to buy back these one hundred eleven spaces, there is provision for this in the agreement at a cost of \$6,624,000. They will also have credits to reduce that price from revenues and the tax abatement payments the City received. They must let us know if they will buy us out so we can make provisions on parking.

Vote on the motion. The motion carried by unanimous vote.

PFA Resolution No. 2025-07-08

3. **PFA2025-13** Request for Public Facilities Authority Consideration of a Resolution to Amend the Fiscal Year 2026 Budget to Purchase Public Parking at 6150 Sandy Springs Circle

Chris Burnett, Director of Economic Development, presented a recommendation to Amend the Fiscal Year 2026 Budget to Purchase Public Parking at 6150 Sandy Springs Circle.

On June 17, 2025, the PFA approved a Memorandum of Understanding (MOU) between 6150 Sandy Springs Owner, LLC, the Sandy Springs Development Authority, and the City of Sandy Springs PFA to enter into an agreement with Trammell Crow Company ("Seller") for the construction of 111 parking spaces within a new parking garage to be built on the property formerly owned by the Sandy Springs United Methodist Church (SSUMC). Since the completion of City Springs, the City has maintained a parking usage agreement with SSUMC for 105 surface parking spaces on the site. However, with SSUMC's sale of the property to Trammell Crow, the City will lose future access to those parking spaces.

The agreement with Trammell Crow stipulates a maximum not to exceed price of \$4,877,333 as detailed in the table below. Payment of the purchase price shall be made to the Seller incrementally over the duration of the construction term associated with the Buyer's parking spaces, except for the initial earnest money of \$383,404, which shall be paid at closing. Any funding requirements exceeding the proposed \$4.4 million reallocation shall be submitted in the future to the PFA for approval.

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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

City Staff, the Authority and the Seller have, in good faith, negotiated the not to exceed amount of \$4,877,333 for the acquisition of public parking and other related infrastructure work located at 6150 Sandy Springs Circle. Funding for this purchase will be drawn from the \$4,400,000 previously allocated in FY23 and FY24 for Project PF008 – Georgia Commission on the Holocaust with further funding allocations for this project, if required, to be presented to the PFA in the future. Because of the tax abatement that has been approved by the Sandy Springs Development Authority and the Fulton County Board of Assessors, these funds will be repaid to the City of Sandy Springs over a 10-year period.

Motion and second. A motion was made by **Member Melissa Mular**, seconded by **Member John Paulson**, to Amend the Fiscal Year 2026 Budget to Purchase Public Parking at 6150 Sandy Springs Circle.

Vote on the motion. The motion carried by unanimous vote.

PFA Resolution No. 2025-07-09

Member Andy Bauman asked when we receive payment annually starting at 50% of the tax abatement in year one, will those monies go back into the General Fund?

Toni Carlisle, Chief Financial Officer, said it will be confirmed with the attorneys that we can put those funds in the bank specifically for this project, and reserve for the payment of operational cost and other expenditures associated with the project.

Member Bauman said this is \$4,800,000 over the course of ten years. Not money from operations but the tax abatement repayment.

Chief Financial Officer Carlisle said I am speaking of the tax abatement revenues.

Member Bauman said it does not make sense for millions of dollars to apply to operating costs.

Dan Lee, City Attorney, said technically payments are paid to the Development Authority.

Member Bauman said then the money will be repaid to the City. How will that work?

City Attorney Lee said that is the way it is done with other pilot payments.

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Member Bauman asked will the abatements come to the Development Authority or the Public Facilities Authority to repay the costs?

City Attorney Lee said the abatement of arrangement agreed to today would cause for the pilot payment to be made to the Development Authority.

Member Bauman asked which will then do what with the money?

Chief Financial Officer Carlisle said it currently goes to the General Fund.

Director of Economic Development Burnett said after two years we will establish a consistent baseline of operating expenses. If for instance it is \$200,000 a year and the cashflow is \$1,000,000 a year, the net of \$800,000 can be allocated back to the General Fund.

Member Paulson said whatever the decision, keep the minimum reserve.

Member Bauman said those numbers will be different given that we are 17% of operating cost of a garage absent of some repairs. The repayment from the abatement is highly front-loaded given their abatement is 50% in year one and 45% in year two. It is a very small amount at the at the end. We are going to receive the vast majority of the repayment of our costs, including the \$900,000, which is separate. You have answered the question. We are taking money that has been allocated and using it for this project, but in time that money is going to come back to the City in the form of repayment.

VI. Adjournment

Motion and vote. A motion was made by **Member Tibby DeJulio**, seconded by **Member John Paulson**, to adjourn the meeting. The motion carried by unanimous vote.

The meeting adjourned at 2:03 p.m.

Approved: August 5, 2025

Russell K. Paul, Chair

Raquel D. González, Secretary