

City of Sandy Springs Development Authority Meeting was held on Tuesday, July 29, 2025 at 8:00 a.m., Chair Chip Collins presiding.

I. Call to Order

Chair Chip Collins called the meeting to order at 8:11 a.m.

II. Roll Call

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

Members Absent: Member Hardy Dorsey

Staff Present: Dan Lee, City Attorney, 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 (attended by Zoom)

III. Approval of Meeting Agenda

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

IV. Approval of Meeting Minutes

DA2025-10 June 5, 2025 Development Authority Annual Meeting Minutes

Motion and vote. A motion was made by **Member Toshia Battle**, seconded by **Member Joe Houseman**, to approve the June 5, 2025 Sandy Springs Development Authority Meeting Minutes with the correction of a typo of the site at 6150 Sandy Springs Circle from 80.1 acres to 8.1 acres. The motion carried by unanimous vote.

V. 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

Director of Economic Development Burnett said the Authority's purpose today is to ratify approval of the tax abatement for this project. This relates to a new construction development project on the site of the Hitso Center and is on 8.1 acres currently owned by the Sandy Springs Methodist Church. It is under contract to sell to a joint venture relationship between Trammell Crow Company and Third & Urban. It will be a mixed use development of approximately 386 total units. Of those, 356 are traditional stack flat apartments and 30 are traditional town homes. There will also be 18,000 square feet of retail and restaurant space. A rendering of this project is available.

On the date of closing, the Development Authority will fund \$383,484, of which \$165,615 goes back to the Authority for the tax abatement fee. About \$20,000 will be dispersed to cover all closing costs related to the overall transaction for the buyer, which is the City, and Trammell Crow who is selling the City easement rights to 111 parking spaces. Within thirty days of that, approximately \$3,600,000 will be moved into an escrow account with Truist Bank. Those funds will be held and dispersed on a percentage of completion basis as the parking lot is built. An independent third party or a member of the City's team will do site inspections and invoice reviews, and approve those prior to the disbursement of dollars. The goal is to make sure that money is being put into the project on a prorated basis and the contractor is not getting ahead on the draw request. There is a mechanism in the agreement for disputes, for example with an overstated invoice to make sure we get what was promised. Funds will probably be disbursed over a nine or twelve month period as the garage is being completed. It depends on subsurface conditions, for instance rock issues or any unforeseen construction issues during the project.

An additional \$900,000 will be set aside towards the goal of creating downtown safety for pedestrian slowing traffic, and beautifying streetscapes and landscaping. This will be determined through a traffic study. The total cost of investment for this is capped at \$4,877,333 which includes our purchase of 111 spaces in the parking garage and for road improvements, not just this project but for City Springs in general. We have a contingency reserve for cost overruns of 5% of the project. We are also paying Trammell Crow a fair nominal development fee of 3.5% to build the parking spaces for the City.

To be approved today is a ten-year tax abate for this project under typical Fulton County rules. In year one they will receive a 50% reduction in property taxes and that reduction will decrease by 5% each year, and by the end of the tenth year the property would be back to full taxable value. The estimated savings are approaching \$4,900,000 to \$5,000,000 based on estimates. The tax savings each year for Trammell Crow will be paid to the City and we will take their property tax payments and apply them against this project and recuperate the \$4,900,000 over the term of ten years. Any funds above \$4,877,333 will go to the benefit of Trammell Crow and their partners, but they will not receive until all of the \$4,877,333 has been paid to the City.

Chair Chip Collins asked **Director of Economic Development Burnett** for a reminder of the road improvements for the project.

Director of Economic Development Burnett said improvements are being considered on both Mount Vernon and Sandy Spring Circle. For example, Sandy Spring Circle in that section is currently only one lane coming northbound, but it is two lanes going southbound. Traffic southbound from Mount Vernon to Hammond comes down the hill at a high rate of speed. A traffic study will determine the most logical option to slow traffic there and we will work with Kimley-Horn, one of the City's traffic engineers and also the engineer for Trammell Crow with this project.

Also, there is a stretch of sidewalk on the north side of Mount Vernon, near the graves at Sandy Spring Methodist Church, that has not been completed for many years. We want to finish that part and have a full sidewalk from Holy Innocents far west side to City Hall. That initiative will be taken by the church working with Trammell Crow and will not be funded by the City. This is also part of the streetscape and road improvements.

Chair Chip Collins asked since these are to be used by the City, what is the connectivity between the parking deck and City Springs?

Director of Economic Development Burnett said you will be able to come out of the parking garage and walk north to the corner of Sandy Spring Circle and Mount Vernon. You can either use the crosswalk at the church and cross at Sandy Spring Circle to walk to City Springs. You can also cross Sandy Spring Circle and if going to the Williams-Payne House then walk up and cross. Also being considered is a crosswalk at Sandy Springs Place near Heritage Green. This would be a place to have a HAWK intersection and pedestrians can exit on the southern end of the garage and walk across Sandy Springs Circle at Sandy Springs Place. This is beneficial if people come to a concert at Heritage on the Green or, for example going to open a restaurant or coffee shop at Williams-Payne House. If pedestrians are coming there, they could park in the City's parking garage, cross at Sandy Springs Place, come to a concert, go to the coffee house, walk their dogs in the park behind Heritage, or they can walk on up the hill and come across the City Springs. There are at least three different pedestrian points and we must slow traffic and improve safety to get people across the streets.

Member Sunny Park asked what is the relationship with Trammell Crow? Are the 111 parking spaces under this contract?

Director of Economic Development Burnett said the Public Facilities Authority (PFA) will acquire those under an easement acquisition agreement, where we acquire the 111 spaces. The term of that agreement is fifty years. There is a buyout provision.

Member Sunny Park asked what is the amount of the buyout?

Director of Economic Development Burnett said about \$6,624,000. This does not include two times the investment of streetscape, but it is two times the investment in the parking spaces themselves. In the budget we are currently paying \$3,312,000 for 111 spaces, slightly under \$30,000 per space. Under the agreement they would pay us about \$60,000 if they buy us out. If they buy us out, it is because their development became popular and they need more spaces. At a minimum, they will own and control about 436 spaces both in the garage and surface parking. They are building the amount of spacing required to meet their need. These 111 spaces were added to the project later. There are currently 105 spaces at the church that the City uses, especially when parking is needed for big events. We will lose access once construction begins but we are replacing what we are losing and going from 105 spaces to 111. More downtown parking will still be needed in the years to come and may be embedded in City Springs 2.0 project.

Member Sunny Park asked is the City responsible for maintenance of the parking space which includes lighting, utilities and management of gate control?

Director of Economic Development Burnett said the City and Trammell Crow will work together to select a parking management company. This may be 12 Oaks Parking, which currently manages the City's parking or another firm. The cost of maintaining the parking garage will be prorated in the agreement. The City has 17.2% of the total spaces in the garage which is 111 spaces divided by 646 total spaces. The City will adjust

each year for operating expenses for the garage which includes insurance, utilities, maintenance issue restriping, and more. Also, the City will receive revenue generated by the 111 spaces. Revenue from parking operations will probably not be enough to pay expenses and only for bigger events when we are sold out. For example, if City Springs is having a theater event, their employees and staff are currently parking at the church. Once the new garage is built, we intend for them to park there and all our theater patrons can have plenty of room to park here in the garage.

Member Toshia Battle asked will they be charged to park here?

Director of Economic Development Burnett said information about whether we validate for Theater Company employees is not available.

Dan Lee, City Attorney, said currently someone does not pay if parked there. It has not been addressed with the church because we do not have the new arrangement.

Vice Chair Andy Bauman said having them park at the church, frees up space in the deck that can be sold. This is value and we can attract more patrons there. The only thing that pays back is the \$3,300,000 investment in the parking spaces. Is the payment in lieu of taxes, not the revenue we get?

Director of Economic Development Burnett said the revenue collected will almost assuredly go against the expenses.

Vice Chair Andy Bauman said the only thing that goes against the obligation to buy us out double are the payments in lieu of taxes. Is that right?

Director of Economic Development Burnett said the formula is based on the total amount of revenue and tax abatements collected. It is credited against the \$6,624,000.

Vice Chair Andy Bauman asked can we credit the revenue against expenses before it is credited against the double?

Director of Economic Development Burnett said the agreement is not drawn up like that.

Vice Chair Andy Bauman said assuming they have paid us out over the ten years. They are paying more but only the \$3,300,000 goes to the deck. Is that true? When they have paid us \$4,800,000 over the ten year what is their buyout at that point?

Director of Economic Development Burnett said it will be \$6,624,000.

Vice Chair Andy Bauman asked not reduced by the monies they have previously paid the City?

Director of Economic Development Burnett said the base level before deductions or credits is \$6,624,000 minus what they have paid in taxes to date, and minus parking revenue.

Vice Chair Andy Bauman asked regarding the \$900,000 of enhancements, would any of those be obligations of this developer? Are things being done on their behalf or are these extra?

Assistant City Manager Byars Smith said anything that we pull here is outside of what they are required to do. They are currently working on their traffic study for this development which will tell us what improvements they are required to make as part of their development. Then we will better determine what improvements we will make with these additional funds.

Vice Chair Andy Bauman said we are not taking on developer responsibility for their ledgers. Is that right?

Assistant City Manager Byars Smith said correct. We are not.

Member Joe Houseman asked from the last meeting, what is the status of the water tower and is that going to be affected?

Director of Economic Development Burnett said the City of Atlanta's water tower has been resolved. There was a lot of back and forth where Atlanta was trying to create a buffer zone where no structures were built. The City of Atlanta has no filed easements on the water tower and have no ability to restrict development of site because of the water tower.

City Attorney Lee said we found no rule that requires that, and Atlanta has never purchased such an easement.

Director of Economic Development Burnett said the tower will remain and will not impede.

Chair Chip Collins asked is there a temporary arrangement to make up for the loss of parking while this is under construction?

Director of Economic Development Burnett said this plan to replace all 105 may not be formalized yet. Not sure if we will be taking down two of the buildings on Hilderbrand and how many cars can be handled between the two lots. Hopefully there will be about fifty or sixty vehicles.

City Attorney Lee said one important issue for this board in deciding whether to use the abatement or not is the impact on our taxing partners. This property currently pays no property tax. This abatement is truly an incentive to develop the property in a manner that is already zoned for this kind of development. At the end of the ten year abatement, it is bringing almost \$2,000,000 a year in revenue to the taxing authorities, most of which would go to the school board.

Regarding **Vice Chair Andy Bauman's** comments, notwithstanding the fact that all the city entities that are involved in this were striking a deal today, probably with the development authority. The PFA will strike a deal on parking. When they start constructing, they will have to adhere to all the rules which will be applicable for development, improvements of the streetscape and more.

Member Sunny Park said this is new tax money that we have not seen, however, there is a trade with six hundred more cars that we could suffer from.

Director of Economic Development Burnett said we could plan for this.

City Attorney Lee said this property is already zoned for apartments notwithstanding the abatement. They could build these apartments tomorrow and have six hundred parking spaces. The abatement does not enhance that. It is an issue mayor and council considers daily.

Member Ed Ukaonu asked in the unlikely event that their cost overruns due to the unforeseen causes, do we have any additional exposure, or would it cap at \$4,800,000?

Director of Economic Development Burnett said in the agreement with Trammell Crow, our total financial investment exposure is capped at \$4,877,335. For example, if during the project we uncover bad soils or heavy rock that will cost another half a million dollars, \$900,000 is there in addition to a 5% reserve or \$115,000 set aside. We do not want to use that for these spaces, but it provides a cushion. Any cost overrun that resulted as part of garage construction would have to be shared on a 83% 17% basis. It is only because of our 111 spaces that these overruns occur and we will need arbitration if they try to put all the cost back on the City.

City Attorney Lee said that is between the PFA and Trammell Crow. The Development authority, if you choose to vote on this abatement, has no liability notwithstanding any kind of cost overrun.

Chair Chip Collins said part of our statutory authority requires us to approve projects that positively affect jobs in Sandy Springs.

Director of Economic Development Burnett said for jobs in the near term, this may be in our application to the county.

Jim Woodward, Partner, Gray Pannell & Woodward LLP said the only role the Development Authority has in this is providing the tax incentive to Trammell Crow. This is not the parking deck in particular, but their whole development there. They have a commercial residential development which also has this parking deck. On June 5, the Development Authority approved the bond resolution and all the tax incentive documents for that project, and for all the construction jobs created by the Trammell Crow project plus the commercial stores and more. The Development Authority is not a party to the parking agreement. The PFA is buying parking spots from Trammell Crow and they will be approving an agreement later today to buy those spots. Today, the Development Authority is approving this final memorandum of agreement between the Development Authority, Public Facilities authority and Trammell Crow, and every year during the tax incentive, Trammell Crow agrees to make a reimbursement payment for some of the costs of the parking deck.

Chair Chip Collins asked are we only discussing the memorandum agreement?

Gray Pannell & Woodward LLP Partner Woodward said correct. The Development Authority is not party to the purchase easement agreement and the acquisition agreement. The parking spaces and management of those spots or anything else is for your information. This is between the PFA/City and Trammell Crow. The Development Authority's role is providing the tax incentive and was approved on June 5.

Chair Chip Collins asked have the underlying tax agreements already been approved?

Gray Pannell & Woodward LLP Partner Woodward said yes. It is the memorandum agreement among the Development Authority, Public Facilities Authority, and Trammell Crow. This is the agreement where Trammell Crow will make reimbursement payments over the term.

Chair Chip Collins asked what is the Development Authority agreeing to in the memorandum agreement

Gray Pannell & Woodward LLP Partner Woodward said you agree to receive payments every year from Trammell Crow entity which is equal to the amount of tax incentives they are receiving on the project until the \$4,000,000 amount is met.

Chair Chip Collins asked where is the entire agreement?

Director of Economic Development Burnett said it is in the package.

Gray Pannell & Woodward LLP Partner Woodward continued with his presentation.

The first few pages of the agreement are reps and warranties and provides information on who the parties are and why they are allowed to be part of this agreement. Section two states why we entered into the agreement. Section three is the heart of it and everything after is notices and more. This section states that the company will receive a tax incentive every year equal to this. This is part of the tax incentive deal that you approved earlier and is ready to be signed. It states, of the savings received pursuant to the tax incentive starting the first year, they will repay us a certain amount until the \$4,877,333 has been met. The agreement requires Trammell Crow entity, over a term of years, to make payments to the PFA through the Development Authority, equal to that amount until met. Once the company pays that amount, this agreement goes away.

Member Toshia Battle asked should the amount of \$4,882, 847 listed in the agreement be edited to \$4,877,333?

Gray Pannell & Woodward LLP Partner Woodward said yes. That will be the amount reimbursed to us.

City Attorney Lee said this number is an estimated cost and may vary. We will use actual numbers for construction but will not exceed.

Gray Pannell & Woodward LLP Partner Woodward said the amount is what the PFA pays the company for the purchase price. The PFA is buying the parking spots and putting an escrow of their purchase price and if the cost of the spots go higher, based on construction costs, they owe a little bit more for the purchase price. It is an estimate of what it will cost but it could increase depending on construction.

Motion and vote. A motion was made by **Member Toshia Battle**, seconded by **Member Sunny Park**, to 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.

Vice Chair Andy Bauman asked what time is the PFA meeting today?

Assistant City Manager Byars Smith said 1:30 PM.

Raquel González, City Clerk, said a separate invitation will be sent to you.

Vice Chair Andy Bauman said there were a lot of complications but this is a solid deal for the City. Looking at the economics, it was not mentioned that we are not being charged for any of the underlying land. We are paying for costs and a small development fee. The money being used to repay us is taxes we do not receive.

anyway right now, and the taxes paid are only fifteen cents on the dollar for the City. **City Attorney Lee Gray Pannell & Woodward LLP Partner Woodward**, and **Director of Economic Development Burne** thank you for making the details come to life and seeing this through.

City Attorney Lee said there are two major law firms involved in this discussion and they have over complicated this matter. **Gray Pannell & Woodward LLP Partner Woodward** and his firm did a great job of clarifying, simplifying, and coordinating the different City entities we have. Thank you for your hard work.

Chair Chip Collins said we appreciate all your efforts. Sandy Springs United Methodist Church is one of the oldest entities in this area. They were some of the first pioneers on that spot of land, and they searched long time for the right project to do on this south side of the property they have had for years. We appreciate the church and synagogue partners and schools. This is an example of how we all work together to make the City better.

VI. Other Business

Chair Chip Collins said for the next meeting on October 9, it is my suggestion that we have an afternoon meeting at 4:30 PM followed with a social somewhere on campus. This will be a time for us to discuss things we want to do and the Authority will have some funds to do so. Staff can also bring some ideas that further our mission as an Authority.

VII. Adjournment

Motion and vote. A motion was made by **Member Ed Ukaonu**, seconded by **Member Joe Houseman**, to adjourn the meeting. The motion carried unanimously.

The meeting adjourned at 9:05 a.m.

Date approved: Month Day, 2025

William 'Chip' Collins, Chair

Raquel D. González, City Clerk