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**BOARD OF MAYOR AND COMMISSIONERS**
**DOWNTOWN DEVELOPMENT AUTHORITY**
**SPECIAL CALLED WORK SESSION**
**July 21, 2016**
***(Immediately following Special Called Meeting)***

## MINUTES

Members Present: Jonathan Elmore, Mayor
Terry Giager, Mayor Pro Tem
Randy Beebe, Commissioner
Adela Yelton, Commissioner
Brian Fisher, Commissioner

Staff Present: Clai Brown, City Manager
Gina Hill, City Clerk
Keri Stevens, City Planner

Item No. 1 Meeting Called to Order by Mayor Elmore at 5:35 p.m.

Item No. 2 Adoption of Agenda
Mayor Elmore moves to adopt. Commissioner Fisher seconds. All ayes.

Mayor Elmore: We're going to be talking about the development agreement between the BOMC and DDA. Some of that is about the ArtLot. David Newbern has prepared a presentation about the ArtLot in response to community questions and concerns. He spent a lot of time on that so I'd like to give him a few minutes to talk to us. We want to make sure everyone is comfortable with this so he can take questions. He's trying to be completely transparent and above board. Also, we've had some long meetings lately so I'd like to limit comment to four or five minutes and, if you could, just speak once. We want to hear from everyone but would like to keep things under control. I guess since Mr. Bleakly is running late, I need to make a motion to move item three down to five just to be safe. I'd like to make a motion to amend the agenda to move item number three to number five and to give Mr. Newbern five or ten minutes to present his information.

Commissioner Beebe seconds. All ayes.

Item No. 3 Presentation by Ken Bleakly, Real Estate Consultant and Expert on Tax Allocation Districts
Moved down to item #5.

Item No. 4 Downtown Development Authority (DDA) Economic Development Director Job Description

Matt Delicata/DDA: I compiled this information from talking to people serving as economic development directors or executive directors, DDA chairs and also headhunters trying to fill these types of positions. Here are three options that tend to be the most commonly used to fill what the DDA needs. Option one is more of a part-time role. Option two is someone who has a handful of years experience and would be more of an executive director of the DDA. They could take a more active role in forming strategy and can be the face of the DDA. It's full time. Option three is someone who has significant experience and exposure to this type of position. Ideally they would have done this for another city. They would take a lead vocal role in both helping the DDA and the City. They would strategize, do marketing, communications, economic development, and administrative functions the DDA needs. It would be someone very professional and polished. Headhunters say these are the three main options they fill. They each come with pros and cons. I've laid out the standard job descriptions for each and qualifications needed. It's really common sense. The part-time role is purely administrative. They would do the agendas and minutes and those types of things. The City is doing this for us now and it could be a position shared by the DDA and the City. Option two is someone who has done the administrative tasks and is looking to step up and take on more leadership. They may have had five to seven years experience and wants to help a smaller town grow and work through some of the issues a DDA goes through. In my mind, the person would be refined and polished and the first point of contact with the DDA. Option one would typically not be that type of person and they wouldn't be able to answer a lot of questions about the DDA when people inquire. Option three is a step up from the first two. That person has been doing it for a really long time and works jointly. The salary could be shared by the City and the DDA and that person could work for both. I think this summary is pretty comprehensive and will help us in our discussions. Option one is already being handled by the City and we're grateful for that. But there is a need for more. I've spoken to Dan McRae and he said a DDA that does everything itself and still has jobs is a strategy for failure and not having a staffer is one of the easiest mistakes you can make. His recommendation was to have an executive director who can do all of the things we're working on so we only have to focus on issues being put to us at a meeting, help developers bridge economic gaps in helping businesses move into the City. I haven't taken a survey of the DDA members to see which way they'd like to go. I personally think option two fits really well. I'm not sure that we need option three yet. If the search was handled correctly, we could hire someone who could grow into an option three role. That would be the goal, in my opinion. I got the salary ranges mostly from headhunters and current job postings. The ranges are fully loaded with benefits, except option one which is

an hourly job without benefits. At the higher levels there can be additional expenses like reimbursements for dining out and travel. They tend to be out in the field often. You don't have to go that route. You can leave that out. So for option two it would be a sixty-five to seventy-five thousand dollars ($65,000 to $75,000) range.

Commissioner Yelton: Do you have an idea of bonus and overhead percentage?

Matt Delicata/DDA: I don't. A bonus was not discussed.

Commissioner Yelton: You might consider bringing in a heavy hitter consultant type to come in and help you build with the goal of hiring someone.

Matt Delicata/DDA: I haven't come across that in my research.

Commissioner Yelton: Did the recruiters tell you how much time it would take to get someone?

Matt Delicata/DDA: I think six to eight months is realistic from the time we nailed down the need, scope and job description.

Dave Deiters/DDA: The impression we get is that this position would be of high interest.

Commissioner Yelton: That could still allow time for a contractor to come in and help temporarily.

Matt Delicata/DDA: I was reluctant to go down any single path because I found that a lot of people who end up getting hired are shared between the City and the DDA. So sometimes you can fill these roles with someone already here and may have already been doing a lot of this work. It's an option I've very open to. If it's going to take months to hire someone then I think we should utilize resources we already have unless we see a value in bringing in a consultant.

Commissioner Yelton: We talked in our last meeting about clarifying roles and responsibilities and accountability. I would still like to go down that path.

Matt Delicata/DDA: Definitely. Once we've chosen a path, that's when we'll start setting the organizational chart. Most of the people in these roles answer to the DDA and work remotely. Others fall under the direction of the city manager and the DDA.

Dave Deiters/DDA: What we're really looking for is guidance as far as the options go.

Commissioner Fisher: I think this is a great start. Thank you. I don't think option one is a good fit at all. I lean towards the other options. I've never regretted hiring someone really good. I wonder how much work that person would have currently.

Matt Delicata/DDA: Unfortunately, that role being unfilled is actually creating a lack of work. That person could've been at the table with South City Partners talking about all the ways the DDA could help them and making the decision to build here easier for them. If there was a person doing this, I guarantee there would be a lot of work for them to do.

Commissioner Fisher: Conducting job interviews could help you figure out what path to go down too. I would think the right person for this job does not do financials. Finance Director Ken Turner does a great job with that and it would be great if that could be a shared resource with the City. I think, for now, it hasn't been a big burden on him because there has not been much of a DDA budget. I think the person you hire should spend time getting to know our existing business owners.

Matt Delicata/DDA: That alone is a full time job. I think there is more than enough for someone to take on.

Commissioner Fisher: I think it's important for the city manager to feel comfortable with how that person integrates into the current City staff. I think options two and three are the only ones we should be pursing.

Mayor Elmore: Is there a possibility an option two person would grow into what an option three would be?

Matt Delicata/DDA: Yes.

Mayor Elmore: And maybe hire a support staffer down the road.

Matt Delicata/DDA: The person we met in Lawrenceville has a support staff under her like communications, event planning, etc. We're probably not there yet.

Mayor Elmore: Maybe as far as the nuts and bolts go, that person would work for the City but report to the DDA.

Matt Delicata/DDA: Personally, I think that would work. What I keep hearing though is that it doesn't work. That's not to say we couldn't do it. I hear the separation of power is very important to make the role successful.

Dave Deiters/DDA: I think the key would be in the area of goal setting, performance management, performance reviews and professional development. That would have to fall under the DDA, specifically the Chair. In terms of administration and employment, I'd love for that to be under the City.

Commissioner Yelton: The infrastructure for having employees is already set up under the City.

Matt Delicata/DDA: There are services out there that provide all of that for authorities.

Commissioner Fisher: From our conversation with the woman in Lawrenceville, there has to be a partnership between herself and the city manager for them to be effective in their roles. They also shared a lot of resources.

Mayor Pro Tem Giager: Are you familiar with the memorandum of understanding (MOU) the City has with the Main Street program?

Matt Delicata/DDA: Yes.

Mayor Pro Tem Giager: It says if we have someone full time, they have to be with the DDA 75% of the time and 25% of the time with the City. If they're part time, they have to give 100% of their time to the DDA. According to this MOU, we have to have someone in this role. I would take article three, the downtown manager agrees to, and it has all their responsibilities. That's a job description. What you have is a good outline.

Matt Delicata/DDA: So you want the job description to be more substantial?

Mayor Pro Tem Giager: I want it to fill this Main Street position.

City Planner Stevens: We meet all the rules and regulations of the Main Street program as far as staffing goes. It's my job – from events to any kind of planning activities, it's a huge umbrella of things having to do with downtown development. We meet the requirements and have received accreditation.

Mayor Pro Tem Giager: I was told we have a special dispensation on that. Do you spend 75% of your time on DDA?

City Planner Stevens: On things that fall under that umbrella, yes. The comprehensive plan, downtown master plan, regular Main Street reports, there are a whole lot of things that fall under that.

Commissioner Yelton: It sounds like there's room for more language in the job description about Main Street. I'd like to include something in there about strategy.

Mayor Pro Tem Giager: Filling this position would free the city planner up to do more for the City, right?

City Manager Brown: Option one and two are currently being fulfilled for the most part by City staff. When you get to option three that is a level above what we do. We can keep doing what we're doing for however long it takes. City Planner Stevens and Karen Holmes do the administrative work. Finance Director Turner does the financials. I, along with City Planner Stevens, sit down with many developers.

Sam Collier/DDA: I think what's good about this position is that it can enhance those discussions with what the DDA can do to help. That's what's missing.

City Manager Brown: If you had a full-time person doing that it would definitely take things to the next level. I would consider going directly to option three and letting them do it all. Maybe a person like that could be hired for less than ninety-five thousand dollars ($95,000).

Dave Deiters/DDA: I think if you find someone who is already knocking it out of the park, then yes, it will cost you that much money. If you find someone who has the potential and is ready for the opportunity then I think it can be done for less money.

Mayor Elmore: We need someone who will be in the role for a long time ideally. We can put these job descriptions on the website. This is the first time we've talked about this indepth.

Matt Delicata/DDA: Everyone should think about this. I'll have more information next time we meet. It sounds like we all agree that option one is not a good choice. We can talk about the search for someone too.

Public Comment

Lisa Shortell/6 Clarendon Pl: I just want to say how exciting it is to hear you having this conversation.

Candace Jones/9 Fairfield Dr: I suggest you shift responsibilities around and hire someone who can do other tasks at City Hall. I don't think we need a 100% DDA person. And what businesses will they recruit? We don't have places for them. I think it's premature for an option three.

Dee Merriam/8 Lakeview Pl: I know from experience that there's a big different between making due with a part-time person versus having someone who was thinking about it all the time. Having that focus makes a huge difference.

Elizabeth Goodstein/3243 Wiltshire Dr: How will this person fit in to the City?

Commissioner Beebe: We don't know. That's what we're doing here.

Dave Deiters/DDA: It's complicated. Many cities have the Main Street Board that has a lot of overhead like reporting. At this point, we're just keep up with that and not really taking advantage of what there is.

City Planner Stevens: We've taken advantage of some of the technical assistance. In a lot of small communities, the Main Street Board and the DDA are the same.

Dave Deiters/DDA: The primary answer is being able to put, in terms of the DDA, some proactive cycles into play. While there is limited acreage right now, there's a lot of area that, if we fulfill our downtown master plan, might be utilized in ways that might be much more aligned with our vision. To make that happen, you need economic incentives and other tools the DDA has in front of

developers to make acquisition and development economically viable. We need help doing that.

Elizabeth Goodstein/3243 Wiltshire Dr: I love the idea of the Main Street program. I would welcome more articulation of the relationship between the Main Street program and economic goals.

Mayor Elmore: Maybe we need something that clarifies what the Main Street program does and what the DDA does.

Item No. 5 Draft Intergovernmental Agreement (IGA) Between DDA and BOMC

Mayor Elmore: I think the latest is our first IGA for ninety days is being revised.

Matt Delicata/DDA: The agreement was redlined by the DDA attorney and sent to the City last week. It's gone back and forth. There was some discussion about an indemnity clause which was finalized yesterday. A clean version was just sent out that we can review.

City Manager Brown: There's one item the Board needs to discuss. The city attorney is creating two IGAs. One has a provision allowing it to be extended for 60 days without Board approval. The city attorney is recommending it's a mutual agreement to extend it 60 days. That's what the Board will need to figure out.

Matt Delicata/DDA: The reason behind that is that the 90-day term would put that limit on the ArtLot from the time the agreement is signed. Then we have to sign and execute a contract with the Avondale Arts Alliance. There could be a couple of weeks delay between that and getting the lot up and running. If it's going well and the weather is still nice, we want to have the option to extend it.

Dave Deiters/DDA: We want to be able to extend it without having to come back before the Board.

Matt Delicata/DDA: Rather than have a whole new IGA executed and have attorneys get involved. This option is fairly common.

Dave Deiters/DDA: The extension is not about funding. It's just about use of the property.

Sam Collier/DDA: On the 91st day, we don't want to be trespassers.

Matt Delicata/DDA: And the payments wouldn't change. Also, we're going to move the indemnity to the Arts Alliance. Otherwise, counsel had some issues with us not providing you indemnity. It was going to get complicated.

Commissioner Beebe: It says in here "on the other hand, the BOMC should consider the hypothetical situation that in case the ArtLot is not successful, some other more desirable use might be available for the same property. Under the DDA's approval, the City would be stuck with the ArtLot for 150 days."

Matt Delicata/DDA: That will be handled in the agreement between the DDA and the Arts Alliance.

Commissioner Yelton: Have you agreed on what success looks like?

Matt Delicata/DDA: That discussion has been tabled until we have the right to even bring it up.

Commissioner Yelton: I'm ok extending the time as long as the funding is fixed.

Commissioner Beebe: I'm ok with extending it.

Mayor Pro Tem Giager: I just don't see why we can't have the agreement hammered out in ninety days. If we can't do it then we have bigger problems.

Mayor Elmore: It's not about extending the agreement, just the space.

Mayor Pro Tem Giager: But we won't need it if we get the big IGA worked out.

Matt Delicata/DDA: The IGA has two main parts. One provides us funding. The other is a lease to allow us to access City property for the purpose of contracting with the Art Alliance to set up the ArtLot. This clause would allow the ArtLot to stay open a little longer.

Dave Deiters/DDA: We're confusing funding and use of the land.

Mayor Pro Tem Giager: But we have all agreed to get the larger IGA signed.

Dave Deiters/DDA: I think it encompasses only funding and the services we will provide. It has to include the lease, otherwise you won't have the property.

Mayor Emore: We can have two agreements simultaneously.

Mayor Pro Tem Giager: Everything should be in one agreements. I don't know why there are so many contracts.

Mayor Elmore: There are two.

Mayor Pro Tem Giager: But we're talking about having three. They wouldn't get funding after 90 days if we don't have the larger IGA.

Commissioner Fisher: He is right. He's saying that in the new IGA, we would have to continue to say the DDA has the ability to use the ArtLot.

Matt Delicata/DDA: We can have one clause saying the new IGA is subject to this one.

Commissioner Fisher: I don't want there to be even a small gap in time where construction of the ArtLot has to stop and it kills the momentum.

Parke Kallenberg/DDA: Not only stop it but everything would have to be removed. It would no longer be legally on the property.

Sam Collier/DDA: Would it help if it was 30 days instead of 60?

Commissioner Fisher: As long as the trigger is that the money stops at 90 days, then I think that's enough incentive for us to get the bigger IGA done. The ArtLot doesn't need to be involved in that. I'm fine with the extension.

Sam Collier/DDA: I had suggested somewhere in the preamble, reference to the DDA's role in development. I didn't see it in the first draft.

Matt Delicata/DDA: I mentioned that to the attorney and he said it didn't matter because the DDA already has that authority by the state of Georgia.

Dave Deiters/DDA: The thought was to have it in there for marketing purposes.

Sam Collier/DDA: We may want to use the agreement like the one Sugar Hill has.

Commissioner Yelton: I agree.

City Manager Brown: I think everyone should focus on this short-term IGA and get it moving first.

Commissioner Yelton: Could we please label the interim IGA as such to reduce any confusion?

Mayor Elmore: We can move on to David Newbern's presentation from the Avondale Arts Alliance about the ArtLot.

David Newbern/ Avondale Arts Alliance: This report has the start-up budget we initially asked for twenty-two thousand dollars ($22,000). We had built in at the time a three thousand dollar ($3,000) cost overrun. Now we're looking at a total of eighteen thousand five hundred dollars ($18,500). I want to talk a little about timeline some other concerns. This past Saturday we had a basic surface clean-up, removing loose debris and making it safer. We're going to meet with the DDA about a contract with them about what type of service we're providing as contractors to the DDA. We have been building out the fixtures that we can. With a lot of this we have been upcycling material to try to save costs. We've had a lot of artists approach us, including the Beltline. They were all interested in the project. One thing we shared is the artist waiver. It's about a 17-page document. It's very comprehensive. It discusses distribution of payment if there is any. The ArtLot has much better ADA (i.e. handicapped) parking than most of the City. The Americans with Disability Act (ADA) requires that for every 25 parking spaces, there be one handicapped space. There are two spaces and we have less than 25 spaces overall. Regarding security, I went into the NCIC and GCIC and started looking at statistics for the City. Most of the crimes in the City are property crimes. Most of those are committed on the properties adjacent to

Memorial Drive. There were no sexual assaults. Most of the assault cases were domestic situations. I went to Willis Park at night and it's really dark. I went to the ArtLot at the same time and it's very lit up. We counted two police cars at Willis Park and eleven near the ArtLot. It's a highly visible area. We actually have more liability than the City. We have a two million dollar ($2,000,000) policy. We plan to put trash and recycling receptacles out for sanitation. I've noticed the city workers maintaining that area by picking up trash and pulling weeds. We plan to do the same thing. When I gave you the original estimate for the utilities, I naturally went high. Georgia Power charges fifty dollars ($50) to drop a temporary line to a meter. We talked to a local electrician about putting out four outlets and the meter box. That came to about one thousand fifty dollars ($1,050). We're still waiting to hear back from the plumber about a bid on that. It should be pretty basic. We knew regardless of the money it would be finite. Programming is tricky since there's no schedule to work with yet. We've had many artists of various mediums contact us and interested in coming to perform. We've set up a website for donations and there's also the National Endowment for the Arts.

Mayor Elmore: Thank you for putting that together. There have been a lot of questions and I complement you for addressing them as comprehensively as you can. I hope that everyone can get behind this. Next up is Ken Bleakly, Real Estate Consultant and Expert on Tax Allocation Districts. He actually helped Avondale Estates set up its tax allocation district (TAD) for the central business district. He's come tonight to talk about getting TADs started and what they can do for the City.

Ken Bleakly: We have set up several dozen tax allocation districts across the state. The Mayor asked me to come and just give you an overview about what TADs are. Your City already has a TAD and it sounds like your question is do you want to use it, amend it, make a second district, etc. In 2005, Avondale Estates prepared a redevelopment plan. It's the governing document when you create a TAD. It's really like a business plan and talks about how the TAD is going to work and not so much what's going on which corner. A couple of things had to happen before Avondale could start it's first TAD. You had to have a referendum giving the government the authority to create a TAD. About 75 cities and counties around the state have also had that referendum. Usually five to ten go through that process each year. You have to have approval to have the referendum from the state legislature. The law in Georgia that governs TADs is called the Redevelopment Powers Law. There are actually two laws and it's really confusing. One governs TADs and one governs DDAs. Most other states call it TIF, but we call it TAD. Every state except for Arizona has some form of this law. It's a very established tool. Atlantic Station is the state's biggest TAD created in 1999. Most big cities and counties in the state have TADs. Columbus has five, for example. Atlanta has ten TADs. The law says all jurisdictions that have TADs can't put more than 10% of their tax digest into all TADs. You can create new TADs as your digest grows. Most cities are in the three to four percent range. You pick an area that qualifies as a TAD and there is a state test using three criteria. You have to meet one or hopefully two of those criteria. If it qualifies, you can form a TAD. That means on a certain date when it's formed, you set what's called a property tax base. You determine the worth of

all the property in that boundary and any taxes collected up to that amount goes to the schools like they always do. But any growth above that amount goes to a fund that can be used to reinvest back into the district. You get the benefit of any growth to use for any infrastructure or other investments in the district. The idea is that by investing the money back in the district, you can accelerate growth in that area. Then there's the halo effect which we've seen all over the state. Often with a TAD, development starts to occur around it. If you're a school board, you'll probably see more growth in your E-SPLOST than you'll give up in property taxes. School board participate when a TAD is formed about 90% of the time because you can show how they benefit.

Commissioner Yelton: Does our school board participate in the City's TAD?

Ken Bleakly: I don't think. Once you have the redevelopment plan, you form the district and then go to the county school board and ask for their concurrence. And what that is is basically adopting your redevelopment plan and pledge their share of property tax within that boundary.

Dave Deiters/DDA: So the fact that the Dekalb County School board did not give their concurrence means that they just continue to get that tax revenue.

Ken Bleakly: Correct. The concurrence process is usually the sponsoring jurisdiction, either county or city, goes to the school board – if it's a city, they go to the county and the school board – and try to get them to agree to the plan. There's benefit to having all three millages than just having the city or city and county millage. About 90% of the time all three are involved. Dekalb has been a tough case. Usually TAD funds are used to lever other private investment in an area. We looked back to 2008 around the state and for every dollar created by a TAD, there was seven dollars created in private investment. How does that money get spent? You have a separate bank account. Each year the property taxes are paid, the assessor takes those taxes, they rebate to you the amount that's in the TAD area. You put the money in that bank account and then you have three things you can do with that money. You can pay as you go, which means you spend the money each year, maybe paying down one project. The classic way is through tax exempt bonds. Atlantic Station used this. You issue tax exempt debt that are revenue bonds only repaid from money in the TAD account. If the money does not show up, the bond holders do not get paid. They know the risk. All the big Wall Street municipal bond firms do these. If you're a high net worth person and you're looking for tax free income, this is a gold mine. A few years ago, we had 36 firms bidding for a fifteen million bond. Places like Atlantic Station with a good track record can go back out and refinance for a lower interest rate after a few years. Typically, TAD funding will be enough to fund about ten to fifteen percent of project cost. Usually the funding goes for some type of site improvements. It could be public infrastructure, demolition of old buildings, new roads, parks and other amenities, parking decks. The law says it has to be a capital, bricks and mortar improvement. The thing about Georgia is we have a difficult process to setting up a TAD but once it's established, governments have a lot of leeway in how to use the funds. You can not use it for ongoing maintenance or operation costs. With Atlantic Station, TAD funds were used to put a concrete barrier over the

old steel mill site and then build the parking garage on top of that. That became the platform for the development that happened above. The property was originally worth about four million dollars ($4,000,000) and now it's worth over a billion dollars. The Beltline also used TAD funds. Housing built along the Beltline will provide tax money that will continue to fund the project. The Camp Creek Parkway area down by the airport is another example where a TAD funded a lot of development. That area could not have been developed without sewer and water and moving millions of feet of rock. About 90% of the time, school boards participate in the TADs because you can show them before and after projected revenue. That's usually very persuasive. It also makes that neighborhood better overall and that benefits schools as well. I would recommend thinking about asking the school board if they want to participate. Then talk to your developers and determine if this could be a tool that could get the City the vision it wants. In some cases, you don't need that. Things just come together. What we find usually in mixed use, redevelopment type projects is that there's a real financial problem getting the parking decks done. Initial rents often don't cover the cost of a deck. Also, there's some sort of public improvement you want to see as part of the project, such as a park, and you want to take the TAD proceeds from that taxable development and use it to pay for that public improvement. That benefits the city and the developer. Then you can tell by the proposed development how much TAD revenue you would generate and work with the developer as to who covers what. That could be covered in a memorandum of understanding or development agreement. You don't get any money until the project is finished and that's one challenge communities have. Cities can front money for projects and then pay themselves back with TAD proceeds. It's about 36 months from the time you say "go" to the time you have the check. There's plan review, eighteen months of construction, then it's the value on the ground December 31st of the tax year. If they got their certificate of occupancy in February, you wouldn't get the value until the following December. Bills go out in the spring and are paid in October. If you finance, you can do that 24-36 months ahead of when those tax collections occur. You can talk to the developer about financing. Unless it's a ten million dollar deal, we don't recommend a bond. It's too expensive and cumbersome. You could get a loan from a bank. You can get a much better rate and it's less complicated. I like about eighty percent of TAD funding in the future will be bank related. The other way is pay as you go. You can just say we'll pay you eighty percent of the taxes for the next eight years or something like that. Once you have an agreement, you bring that to Council. Council has to approve that agreement. You are the controller of the TAD even though the county and school board may participate, it's the City's decision. It's your financing, not theirs, and they often struggle with giving away control to run that process. That's kind of the standard process. There are all kinds of variations when you get to the financing stage.

Mayor Elmore: For each million dollars tax differential based on our millage rate what would we get in TAD revenue?

Ken Bleakly: You'll probably get about 40% of the potential. You're looking at probably about 6% of the value of the project you undertake.

Dave Deiters/DDA: Can we go back to the school board to see if they would reconsider participating with us on the existing TAD?

Ken Bleakly: Absolutely. In Gwinnett County, some of the TADs were down 35%. They were below what the original base amount was. We went back to reset them to the current year. If you're in a deficit, before you can issue any debt or give any benefit you have to get back to where you started.

Parke Kallenberg/DDA: How does the millage rate affect the base?

Ken Bleakly: Unlike many states, Georgia allows the millage rate to change within the TAD boundaries. Another thing is we're not allowed to forecast future value so you end up with a big cushion to protect against millage fluctuations.

Commissioner Yelton: What's the role of the DDA?

Ken Bleakly: It depends on the city. The law requires that you develop a LRA – local redevelopment agency. In your case, it's the city council. That's who has final authority over any issuance of debt, approval of projects, etc. You can designate the administrator role of getting projects ready, talking to the developer, putting the deals together, negotiating with bankers and often the DDA plays that role. The DDA cannot act as the LRA but they can be the staff arm.

Sam Collier/DDA: From the developer's standpoint, the incentive for them is public participation but DDAs have other ways to do that. How does that work?

Ken Bleakly: The incentive for developers is they can get public improvements around their project and they don't have to pay for it. They're going to get the same tax bill regardless. They would much rather have that money reinvested right around them. Second, the city helps pay for something like a parking deck that they would otherwise have to finance. That can help justify higher rents on their behalf. The DDA has their own separate powers. They have the ability to issue bonds. They have the ability to impose millage. A common technique now is called bond for title. You can't do the two of them together. With a TAD, you have to generate tax increments to have money to spend. With bond for title, the DDA and the developer work together and share the ownership of a project. That project, by its nature, is tax exempt because it's a governmental entity. At the end of a certain period, like ten years, the entire project reverts back to the developer and now it's all taxable. It's effectively a property tax abatement. They're still incremental but the advantage is you basically get a property tax break and that helps you on the operating side. Some developers want money up front to get the project built and they would probably lean more towards the TAD approach. Long term operators may rather have the tax abatement. You can go one step further with bond for title and the DDA could issue debt secured by the developer who pays the debt back from their cash flow and it's equal to the savings they would get each year in the property tax break. That's called a full bond for title. Dekalb and Gwinnett counties are have done deals using both techniques. You usually pick only one method – a TAD or tax abatement. If you

want a park built, the money from tax abatement is going to go into the project and not towards a park. If the land has low value you might be able to do both techniques.

Commissioner Fisher: But with a TAD, you have to have a plan to develop.

Ken Bleakly: But there's no change in your taxes. Nothing has to happen. If any money has been accumulated and nothing happens in five years, you can always pull the TAD and give the money back. You can't issue debt until you have a certified project because the underwriters won't do the deal.

Dave Deiters/DDA: It would be an interesting modeling exercise if, in our situation, we have a TAD and we're considering pure TAD versus abatement when the county doesn't participate because abatement would affect the county too.

Sam Collier/DDA: Do cities and counties compete?

Ken Bleakly: Yes, and the county development authorities are in competition with the municipal DDAs. Development authorities get a lot of money in fees to issue the debt so they compete over who can issue the debt.

Public Comment

Candace Jones/9 Fairfield Dr: What is the maximum amount of money we can get using the ten percent of the tax digest rule?

City Manager Brown: When we annexed the thirteen acres of Fenner Dunlop which wasn't in the TAD we were at about 9.4% but that was about five years ago and we have a higher tax digest now.

Dave Deiters/DDA: So the existing TAD does now include the Fenner Dunlop property?

City Manager Brown: Yes.

Sam Collier/DDA: Since the South City Partners area isn't included in the TAD it would make more sense to do tax abatement with them.

Commissioner Fisher: If the idea is to pull in more development then it can be used in the future.

Sam Collier/DDA: It can be used that way or to fund public projects.

Lisa Shortell/6 Clarendon Pl: How long with the current TAD be in place?

Ken Bleakly: It's a maximum of 30 years. You can extend it as well. You can usually shut them down at about 12+ years.

Dave Deiters/DDA: When you give a developer a tax abatement, can the money be used on outside projects?

Ken Bleakly: I don't know from a legal point of view but practically the money is used for that development.

Sam Collier/DDA: Where did the ten to fifteen percent come from?

Ken Bleakly: The driver is what the property is assessed at. In Georgia, our assessments tend to be low relative to value. And then there's millage rate. Higher taxes are good for TADs because you get more increments.

Unknown Resident: Can the money be used for better streetscapes?

Ken Bleakly: Yes, and it's also governed by what's in your redevelopment plan.

Commissioner Yelton: What about expanding an existing plan?

Ken Bleakly: You can but I wouldn't recommend it. You're better off creating a second plan. When you shrink or expand, you have to bring the tax digest up to that year.

City Manager Brown: When Fenner Dunlop was annexed into the City four or five years ago, we added that to our TAD. The tax digest values were reset but things were flat and we didn't really lose anything.

Unknown Resident/S. Avondale Plaza: What's the time frame if we decided to start a second TAD?

Ken Bleakly: The concurrence is the problem. You could probably do it internally in 30 days. Normally, 90 to 120 days.

Item No. 6 Objectives of Downtown Redevelopment Concepts and Cost Comparisons of Concepts C, C.1 and F

John Threadgill: I think what we wanted to try and do here is go through the summary of all the schemes we've looked at and talk about three in detail. There were concepts A-F, including one called C.1.

David Sacks: Just quoting some things from adopted city policies. There was some discussion at the last joint work session about the goals of this decision making process. The vision statement talks about a unique downtown center. There are two zoning areas at play – the central business district and the mill district. The mill district is what Euramex owns. This talks about promoting a pedestrian destination, an urban village where residents can work and play, walkable, interconnected. These are some things that feed into how you evaluate these schemes. I'll talk about the ones that made the short list from the work session – C, C.1 and F. On one side is the quality of the outcome of the project and the other side is challenges to consider. All schemes have a good connection from north to south. They vary a lot in terms of east/west connections. The town

green is a big variable. Some of the schemes are kind of central to this core area but scheme C and C.1 are further west and a little more central to the larger business district. There is benefit to that since it could spark development around it. How do the various locations work as a destination? Accessibility and connectivity in terms of connecting neighborhoods. Visibility from one of the main roads is a good selling point for where to put the town green. To have festivals there about two and a half acres is a good size. If it's smaller, a festival will have to spread out into the streets. With scheme C, the green would be about 2.7 acres. Complexity for implementation is now. Scheme C.1 is also low complexity. There would probably be some land acquisition. The park is significantly smaller but has the same location advantages as C. In terms of cost, it would be the least expensive. The town green is a good size in scheme F but it's very complicated to implement. It's all on land the city does not currently own. Unlike the others, you would not have to do anything with Franklin Street in this scheme. Blocks are longer so the walkability might not be as good as with the others. The town green is not as visible.

John Threadgill: What I say about cost is hypothetical. This is my best attempt to outline scenarios that I thought made sense based on the master plans we have. I didn't go into as much detail with scheme F because there are so many complicating factors. With concept C, how would the city start with something like this? The city might sell the land that fronts North Avondale Road. Franklin Street would have to be altered. Utilities would have to be moved. From another municipality, I got the approximate number of cost at one thousand six hundred dollars per linear foot for a 300-350 foot long section. Doing a town green could cost one million ($1,000,000) per acre. A lot of that would be landscape, hardscape.

David Sacks: That number could be plus or minus 30%.

John Threadgill: At the end of the day, you're talking about this scenario costing about three and a half million dollars ($3,500,000). Concept C.1 has a smaller park, a larger parcel the city might be able to use to sell. The city would need to buy some land for the extension of Franklin Street. Utilities would have to be moved farther than with option C. I think moving Franklin might be about one million dollars ($1,000,000). The cost for the town green would be less because it's smaller. In the end, it would cost about two million dollars ($2,000,000).

Mayor Elmore: I'd be interested to know how much it would be if you just focused on the credit union parcel and the one behind it.

John Threadgill: If you could avoid having to alter Franklin Street you would drop that down to something closer to six hundred thousand ($600,000). It would be simpler and cleaner. Concept F is very complex because the city doesn't own any of the land.

Mayor Elmore: I think just being able to talk about C and C.1 in more detail has been helpful just to get an idea of relative cost. With the topography on C and C.1 could you do a natural amphitheatre? Obviously there wouldn't be as much land left over.

Matt Delicata/DDA: That's a challenging site for commercial development. Parking is a challenge.

Parke Kallenberg/DDA: We want a green that's big enough and doable. I'm thinking this park seems to be the right size, it's more central to the business area and it's doable. It's land we already own. That's pretty solid.

Sam Collier/DDA: You want businesses around the park to serve as outdoor rooms and you don't have to introduce cars on every side of the park.

Mayor Elmore: Duluth put a municipal structure on their green with a stage on the back. It's neat how it worked out. I want to talk about how the city would go about selling the parcel that's on 278. We can't sell directly like that. We have to put it out for bids. We can stipulate how that happens (most money, grading system, etc.). We could put a city building there or lease it to the DDA. The DDA would want the right tenants instead of most profit.

George Kennedy: Is there not enough room there just to do parking? It could be parking for the town green.

Mayor Elmore: Probably not.

Matt Delicata/DDA: It could be a placeholder.

Mayor Elmore: There was a concept that had a parking garage under the green. It would kill two birds with one stone but would be expensive. We have temporary parking on Franklin that could be graded. It's more convenient and desirable.

Matt Delicata/DDA: Originally when we voted on these concepts, my first choice was for F because, as I said at the time, I was hopeful we could trade land with Euramex and work with them. The plan we reviewed to put forward takes that out of the conversation. I don't think it's productive to consider anything on their land and more productive to focus on what we own and can control.

Commissioner Fisher: We still need to make sure our property fits with theirs so it looks cohesive.

Matt Delicata/DDA: Absolutely. And with that in mind, I hope they put that plan out there sooner rather than later and we can continue the conversation with the community's input.

Mayor Elmore: So far it looks like a super block between Laredo, Parry and Oak.

Matt Delicata/DDA: There are opportunities to still work with them based on the phasing.

Sam Collier/DDA: To me it sounds very positive that they say we can do something with existing zoning and they've let go of the idea of a big grocery store. The next step possibly is to get the same density with better design elements.

Matt Delicata/DDA: It's economics. They could not make structured parking work there. They have to have a superblock to have enough land left over for parking. It could be an opportunity for the DDA to help them.

Mayor Elmore: It's better than what they've shown us before and in some regards a step in the right direction.

Commissioner Fisher: Is there a zoning requirement for them to have green space?

Mayor Elmore: Open public space. They do have 20,000 square feet of plaza.

Matt Delicata/DDA: There's no question they're working hard.

Mayor Elmore: They want to make money and we want to protect the interest of our city. There's nothing wrong with that. We just want to get those two things to align and it's not easy.

Dave Deiters/DDA: The closer we get, the more the DDA can bring tools to the table to get something in return and the better the chance of success.

John Threadgill: Where the TAD is concerned, you want Euramex to do as much as they can as soon as they can. That will put money in the TAD fund and you will be able to do things like the town green. You can use the zoning as leverage. They don't have the right to do a super block. But you want development to occur so we can have all the things we want.

Item No. 7 Public Comment

George Kennedy/Owner, Aikido Center of Atlanta: Concept C fits my business better. I like the idea of a larger town green.

Tom Serr(?)/2894 Washington St: I'm an architect and planner. You're looking at just this 17 acres but it connects to the other half. You're missing the cost of traffic lights, traffic calming. Washington is the only straight shot other than North Avondale.

Mayor Elmore: Maybe it's a series of stop signs. It will be a two-lane road with parking on either side, which has a calming effect. There will be bulb outs at each intersection. Hopefully we can continue that through the business district. There may need to be a light in there but we haven't thought about it honestly.

Tom Serr(?)/2894 Washington St: If the park extended a little farther north so it broke the continuous chain from Parry to Washington, you wouldn't have the traffic but still have the connectivity.

Joe Anziano/3242 Wiltshire Dr: I'm excited there is movement forward with Euramex. I like concept C. It's greener and I like that it's farther west so it can incorporate more of our streets.

Lisa Shortell/6 Clarendon Pl: I'm in favor of concept C. It's bigger and farther west which will be another anchor besides Tudor Square. Regarding Euramex, if we build this it will make their apartments more valuable.

Mayor Elmore: To their credit, their plans make nice street frontage.

Dee Merriam/8 Lakeview Pl: I like C best as well. I like that the green would be good sized. That location would set up a good dynamic between the green and the Tudor Village. We could do this in phases starting with minimal grading and closing Franklin Street between our parcels.

Dave Deiters/DDA: I'd like to thank John Threadgill, David Sacks and Bill for their work and also the BOMC for their work with Euramex.

Item No. 8 Adjournment

Mayor Elmore moves to adjourn. Commissioner Fisher seconds. All ayes.

APPROVED THIS 26th DAY OF SEPTEMBER 2016

Jonathan Elmore, Mayor

ATTEST:

Gina Hill

Gina Hill, City Clerk