

**DEVELOPMENT AUTHORITY OF CLAYTON COUNTY,
REDEVELOPMENT AUTHORITY OF CLAYTON COUNTY,
AND
URBAN REDEVELOPMENT AGENCY OF CLAYTON COUNTY**

**MINUTES OF REGULAR MEETING
MONDAY, SEPTEMBER 12, 2017**

The regular monthly meeting of the Development Authority of Clayton County, Redevelopment Authority of Clayton County, and Urban Redevelopment Agency of Clayton County was held on Monday, September 12, 2017, at 5:00 p.m., in the Conference Room at the Clayton County Office of Economic Development 1588 Westwood Way, Morrow, Georgia.

Members present at the meeting were Michael Edmondson, Chairman; Eldrin Bell, Vice Chair; Ricky L. Clark, Jr., Secretary/Treasurer; Dr. Don McMillian, Jr., Assistant Secretary/Treasurer; and Tim Gilrane. Also present were Authority counsel, M. Michelle Youngblood; Jack R. Hancock, Clayton County Attorney; Bill Keir, Detrick Stanford, Clayton County COO; Alex Cohilas, Clayton County Deputy COO; Bill Keir, Deputy Director, Clayton County Office of Economic Development; and Wade Starr, Clayton County economic development consultant. Also present were guests Rod Meadows, Mae Charles Barnes, Dr. Tim Hynes, President of Clayton State University; Corlis Cummings; John Chafin and Mike Thomas, Clayton County Water Authority; Kalanos Johnson, Nickelworks; Chantee Gibson and Veronica Lindsay, RAM Partners; and other guests.

Call to Order and Welcome of Guests

Chairman Edmondson called the meeting to order at 5:02 p.m.

Approval of Agenda

Chairman Edmondson presented the Agenda and inquired as to whether there were any additions, changes, or deletions. Ricky Clark asked to remove item #1 under Discussion Items. After a general discussion, upon motion by Ricky Clark, seconded by Don McMillian, it was unanimously:

RESOLVED: That the Agenda be approved as amended.

Approval of the Minutes of August 9, 2017 Meeting

Chairman Edmondson presented the minutes of the August 9, 2017 meeting, and inquired as to whether there were any additions, changes, or deletions. After a general discussion, upon motion by Eldrin Bell, seconded by Ricky Clark, it was unanimously:

RESOLVED: That the minutes be approved as presented. A copy is available in the Authority office.

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Treasurer's Report

Chairman Edmondson called on Treasurer Ricky Clark for a report. Mr. Clark reported that there were 3 invoices for consideration: EPIC Insurance (\$113.80); Gray Publishing for publication of the notice of the August 9 meeting changes (\$62.40); and Freeman Mathis & Gary, LLC for legal services (\$4,170.00 – operating account; \$180.00 – University Stations / Gateway account). After a general discussion, upon motion by Eldrin Bell, seconded by Don McMillian, it was unanimously:

RESOLVED: That the invoices be approved as presented, and the officers be and hereby are authorized to pay the same.

Mr. Clark further reported that the Authority's operating account ended the month of July 2017 with a balance of \$1,027,506. He noted that the Authority has several other special purpose accounts, as well (Gateway/University Station, Castellini REBA Grant, Chime Solutions REBA Grant). After a general discussion, upon motion by Eldrin Bell, seconded by Don McMillian, it was unanimously:

RESOLVED: That the Treasurer's report be approved as presented.

OLD BUSINESS

1. Consideration to award Accounting / Bookkeeping Services

Chairman Edmondson called on Ricky Clark for a report. Mr. Clark reported that there were three (3) responses to the RFP for accounting / bookkeeping services, each of which was distributed to the Board prior to the meeting. The responding parties were Harris Ware, Vibha Singla, and Loggins Kern & McCombs. He noted that the pricing schedule varied, with some quoting a flat monthly rate, and others charging by the hour. After a general discussion, it was the consensus of the Board for Messrs. Clark and Bell to work on scoring the responses and present a recommendation at the October meeting.

2. Consideration of recommendation from Alex Cohilas, Deputy COO, regarding reorganization of Clayton County Economic Development Department

Chairman Edmondson called on Alex Cohilas, Clayton County Deputy COO, for a report. Mr. Cohilas reported that the Office of Economic Development currently has positions for a Director, Deputy Director, Office Manager, and a project manager (focusing solely on the film industry). He recommends moving to a more aggressive sales model with six (6) funded positions: Director, Office Manager, 2 Economic Development Officers, 1 Research Analyst, and 1 Business Retention Specialist. The Economic Development Officers would work across

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multiple industries, instead of focusing on only one industry such as film. The research analyst would support both economic development officers. Due to the inclement weather resulting from Tropical Storm Irma, he is still awaiting cost data from the Finance Department. Mr. Cohilas will email the organizational chart and cost data upon receipt. He confirmed that all positions in the Office of Economic Development currently are funded 100% from the hotel/motel tax. After a general discussion, it was the consensus of the Board to table the discussion until the October meeting.

3. Consideration of Lake Spivey Parkway CID Feasibility Study by Nickelworks

Chairman Edmondson reminded the Board that Nickel Works had made a presentation at the August meeting about a feasibility study for a Lake Spivey Community Improvement District. Kalanos Johnson, Nickelworks, reported that the cost of the study is \$17,500.00 and will take 4-5 months to complete. Their preliminary information indicates that there are 96 parcels eligible to participate in the CID. After a general discussion, it was the consensus of the Board that Don McMillian and Eldrin Bell will coordinate with Bill Keir to determine the number of occupied commercial properties in the proposed CID, including the number of parcels involved if the boundary is extended up Mount Zion to the Kaiser Permanente property, and bring the matter back for consideration at the meeting in October.

NEW BUSINESS

1. Consideration of request from Pacifica Ventures for extension until September 29 for project funding

Chairman Edmondson reported that he had been contacted about an extension of the deadline to deposit the \$12 million required to be invested in the project; the deadline under the Ground Lease was August 21. Mr. Cohilas reported that Pacifica has indicated that the \$12 million is part of a larger 600€ million bond issue which is pending. He said that Pacifica has stated it has established an account at Wells Fargo bank, but has declined to provide additional information at this time. Authority counsel noted that the Ground Lease terminated automatically upon the failure of the lessee to deposit the funds as required by August 21. Therefore, any new deadline would have to be part of a new Ground Lease. She also noted that there were other performance deadlines contained in the Ground Lease which were timed from the date of execution, and that date would change if a new Ground Lease were executed. After a general discussion, upon motion by Don McMillian, seconded by Eldrin Bell, it was unanimously:

RESOLVED: That Authority reconsider the request once the \$12 million actually has been deposited and satisfactory proof thereof received.

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2. **Consideration of Bond Resolution authorizing issuance of refunding revenue bonds in the maximum principal amount not to exceed \$46,000,000 (CSU Foundation Real Estate I, LLC Project)**

Chairman Edmondson called on Mae Charles Barnes, bond counsel, for a report. Ms. Barnes explained that the Authority had issued bonds in 2007, the proceeds of which were used to finance the construction of Laker Hall (student housing) and the Student Activities Center. She reported that significant cost savings can be achieved by refunding the bonds, because of the difference in interest rates between 2007 and 2017. Authority counsel noted that the bonds are secured by the income stream generated by student activities fees paid by students of the University and charges paid by students living in Laker Hall; the Authority has no pecuniary liability beyond the funds generated by the project. Dr. Tim Hynes, President of Clayton State University, noted that the savings was approximately 15%, or \$5.6 million net present value. After further discussion, upon motion by Ricky Clark, seconded by Eldrin Bell, it was unanimously:

RESOLVED: That the Bond Resolution be approved in the form presented. A copy is attached to these minutes.

3. **Consideration of meeting date change to reschedule October 2017 meeting**

Authority counsel reported that the refunding bonds for the CSU Foundation Real Estate I, LLC Project were expecting to price the bonds on Tuesday, October 10 (Monday, October 9, being the Columbus Day holiday). She reported that a supplemental bond resolution, containing the exact terms of the pricing, would be presented to the Authority for approval, but it could not be ready by the regular meeting at 5:00 p.m. on October 10, if the bonds did not price until that day. Therefore, the University requested that the Authority consider holding a special called meeting on Thursday, October 12. Authority counsel recommended that the Authority consider moving its regular meeting from October 10 to October 12 (rather than hold two meetings the same week). After further discussion, upon motion by Ricky Clark, seconded by Don McMillian, it was unanimously:

RESOLVED: That the Authority's October meeting be rescheduled from Tuesday, October 10, to Thursday, October 12, at 5:00 p.m.

DISCUSSION ITEMS

1. **Discussion regarding Southlake CID Feasibility Study by Nickelworks**

Chairman Edmondson reported that the cities of Morrow, Forest Park, and Lake City each have approved a feasibility study regarding the creation of a Southlake Community

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Improvement District. The cost for a feasibility study of eligible parcels in unincorporated Clayton County is \$17,600.00. The boundaries are still being determined. If the boundary extends to Mount Zion Road and Battle Creek Road, it would add approximately another 1,000 parcels to the CID, but also would increase the cost of the feasibility study. After a general discussion, upon motion by Ricky Clark, seconded by Tim Gilrane, it was unanimously:

RESOLVED: That feasibility study for a Southlake CID be and hereby is authorized, and the expense of \$17,600.00 is hereby approved.

Upon motion by Eldrin Bell, seconded by Tim Gilrane, it was unanimously resolved to take a short break. Whereupon, the meeting was suspended at 6:33 p.m. The meeting reconvened at 6:42 p.m.

2. Discussion regarding Rainwood Apartments

Chairman Edmondson reported that he had requested an opinion of value for the Rainwood Apartments from a couple of different brokers. The brokers are ready to present their opinions of value. Chairman Edmondson called on Judy MacManus and Paul Vetter from Berkadia for a presentation.

Upon motion by Eldrin Bell, seconded by Don McMillian, it was unanimously resolved to take a short break. Whereupon, the meeting was suspended at 7:26 p.m. The meeting reconvened at 7:43 p.m.

Chairman Edmondson then called on Johnny Easterling of Wiley Real Estate Group for a presentation.

2. Discussion regarding possible Request for Qualifications for redevelopment nodules in Mountain View, Old Dixie, Mount Zion Blvd., and other locations

Upon motion by Don McMillian, seconded by Tim Gilrane, it was unanimously:

RESOLVED: To hold the discussion until the October meeting.

Upon motion by Eldrin Bell, seconded by Don McMillian, it was unanimously resolved to suspend the Authority meeting to allow the meetings of DACC Public Purpose Corporations I

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and II. Whereupon, the meeting was suspended at 8:14 p.m. The meeting reconvened at 8:25 p.m.

Chairman Edmondson called on Chantee Gibson, RAM Partners, for a report. Ms. Gibson reported that the property is currently 97% occupied, and they expect that rate to increase to 98% next month. She reported that total income year-to-date is \$12,579 below budget, due to vacancy loss, concessions, and month end arrears. She reported that advertising expenses are higher than budgeted due to a relationship with Zillow to market the property on their website. She also reported that payroll expenses are higher than budgeted, because the property was experiencing a high turnover rate, so they began offering incentives to the leasing staff for decreased turnover. Ms. Gibson also reported that capital expenditures were above budget due to patio repairs, subfloor repairs, and replacement items in certain apartments. Ms. Gibson reported that there is rotten wood and termites affecting decks in approximately 40 apartments. She stated that a company is evaluating the extent of the damage and estimating the cost of repair. She expects to present that information in October. She also reported that the property has been experiencing a lot of dumping from surrounding residential areas. The trash removal company charges \$150 for each additional dumpster pickup in a month, which would have resulted in an invoice in August for \$4,900.00. However, by increasing the weekly pickups to three times per week (from twice a week), the cost increases only \$1,000.00 per month, so trash removal now occurs three times per week. Ms. Gibson also reported that the units could be upgraded for approximately \$7,000 per unit on the conservative side. She will email additional information. After a general discussion, upon motion by Eldrin Bell, seconded by Tim Gilrane, it was unanimously:

RESOLVED: That the manager's report be accepted as presented.

OTHER BUSINESS

Chairman Edmondson noted that there was a need for an executive session to discuss disposition of real estate. Upon motion by Don McMillian, seconded by Ricky Clark, it was unanimously:

RESOLVED: To adjourn into executive session for the purpose of discussing disposition of real estate.

Whereupon, the open meeting adjourned into execution session at 8:49 p.m. Upon motion by Eldrin Bell, seconded by Don McMillian, it was unanimously:

RESOLVED: That the open meeting reconvene.

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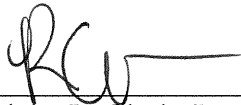
Whereupon, the open meeting reconvened at 9:59 p.m.

Upon motion by Don McMillian, seconded by Tim Gilrane, it was unanimously:

RESOLVED: To retain Berkadia to market the Rainwood Apartments for sale, with an exclusion for any offers from Colony Hills Capital, and to authorize the Chairman to negotiate the commission rate to be paid to Berkadia.

There being no further business to come before the Board, upon motion by Eldrin Bell, seconded by Ricky Clark, it was unanimously resolved that the meeting be adjourned.

Whereupon, the meeting adjourned at 10:02 p.m.



Ricky L. Clark, Jr., Secretary/Treasurer