

CHAMBLEE DOWNTOWN DEVELOPMENT AUTHORITY

Regular Meeting Minutes

Tuesday, August 22, 2017 – 6:30pm

Chamblee City Hall Conference Room

5468 Peachtree Road, Chamblee, GA 30341

A regular meeting of the Chamblee Downtown Development Authority was held on Tuesday, August 22, 2017, at the Chamblee City Hall at 5468 Peachtree Road. Board members in attendance: David Carter, Ronni French, Van Pappas, Robert Pond, Brian Ray, Leslie Robson and Robert Smith. Also attending were Economic Development Manager Adam Causey, Counsel Dan McRae, Counsel Chris Compton, and members of the public.

CALL TO ORDER: The meeting was called to order by Chairman David Carter at 6:30pm.

APPROVAL OF MINUTES:

- a. **Regular Meeting, July 25, 2017: Motion by Van Pappas to approve the July 25, 2017 regular meeting minutes as submitted, seconded by Leslie Robson with Carter, French, Pappas, Pond, Ray, Robson and Smith voting to approve.**
- b. **Executive Session: July 25, 2017: Motion by Van Pappas to approve the July 25, 2017 executive session minutes as submitted, seconded by Leslie Robson with Carter, French, Pappas, Pond, Ray, Robson and Smith voting to approve.**
- c. **Special Meeting, August 7, 2017: Motion by Van Pappas to approve the August 7, 2017 special meeting minutes as submitted, seconded by Leslie Robson, with Carter, French, Pappas, Pond, Ray, and Robson voting to approve. Robert Smith abstained.**
- d. **Executive Session, August 7, 2017: Motion by Van Pappas to approve the August 7, 2017 executive session minutes as submitted, seconded by Leslie Robson, with Carter, French, Pappas, Pond, Ray, Robson and Smith voting to approve.**

CHAIRMAN'S REPORT: There was no Chairman's Report.

FINANCIAL REPORT: Treasurer Brian Ray presented an updated Financial Report.

OLD BUSINESS:

- a. **Assembly Redevelopment:** Luke Howe, Doraville Development Director, presented an update on the City's plans for the Assembly site. The City's primary project is the connection between the MARTA station and the City of Doraville through a tunnel under the tracks. This project is projected to cost \$60M, and is waiting for funding. A letter of intent has been signed with a cinema company, and Serta/Simmons has been given

incentives to build with move-in anticipated in the 1st quarter of 2019. There are 3 State projects under consideration. Doraville has the advantage of MARTA and Hartsfield Jackson International Airport over competing cities. There will be two access points to the project off Peachtree Road.

- b. Mid-City Stroll update: Adam Causey reported that the Mid-City Stroll was scheduled for September 7 from 5:30-8:30 p.m. He distributed a postcard and map of the event. Parts of the Rail Trail will be walked, with stops at various locations. The City is working with MARTA to improve station access (ride share and bike share). Volunteers are need for the event.
- c. Town Center Update: The LOI period ends on September 1. Prior to that date, a special called meeting and a Finance Committee meeting are needed. The Development Team's deliverables are also due on Sept 1. Brian Ray expressed disappointment in the process, citing no leadership from the development team, and concerns that no progress has been made. Leslie Robson commented that the scheduling of tours of other downtown developments was on short notice. Others on the DDA also expressed similar concerns about the process to date.

NEW BUSINESS:

- a. Peachtree Station-Assignment of Bond, Bond Lease, and other Bond Documents. Adam Causey reported that S.J. Collins has a buyer for the Peachtree Station development. Brian Ray asked who will manage the center. Leslie Robson was concerned that the new management will continue to seek high quality tenants. Other issues raised included zoning, sewer, and completion of the center. Dan McRae reported that the language in the original documents related to Whole Foods would remain, and we can approve the assignment with conditions regarding completion of the project. Mr. McRae noted that some development authorities charge a fee for assignment. **Motion by Brian Ray to approve the transfer subject to (1) the payment of a \$5,000 transfer fee and (2) the fulfilment of any outstanding conditions of the MOU to the satisfaction of the Chair, seconded by Leslie Robson, with Carter, French, Pappas, Pond, Ray, Robson and Smith voting to approve.**
- b. **SLX Nissan – Amendment to Lease, HUD Rider to Security Instrument, and Indemnity and Guaranty Agreement:** Project principals were present, and reported that HUD financing (\$75M) has been obtained. HUD requires inclusion in the lease, and amendments to include HUD provisions. In the current lease, there are unassigned rights (fees, limitations of liability) that offer guaranty and indemnity to protect the DDA. Inclusion of HUD provisions weakens the DDA position. Dan McRae cited 3 issues (1) gifts & Gratuities, (2) Title warranty, and (3) we are being asked to accept a personal guaranty from the developer/owner. He did not recommend approval of documents that were delivered for consideration. A standby Letter of Credit from a bank is preferred over personal indemnity. He noted that wording of the documents is inadequate. Without the

amendment to the lease and other documents, HUD will not finance the project. Dan McRae will meet with the principals to try to reach a satisfactory solution. We can add this to the agenda for the Monday, August 28 meeting.

PUBLIC COMMENT: There was no public comment.

EXECUTIVE SESSION pursuant to O.C.G.A. 50-14-2(b)(1) for the purpose of discussion or approving a real estate transaction: Motion by Leslie Robson to enter into Executive Session pursuant to O.C.G.A. 50-14-2(b)(1) for the purpose of discussion or approving a real estate transaction, seconded by Brian Ray, with Carter, French, Pappas, Pond, Robson, Ray and Smith voting to approve.

ADJOURN: Motion by Ronni French to adjourn, seconded by Brian Ray, with Carter, French, Pappas, Pond, Ray, Robson, and Smith voting to approve.

Respectfully submitted:

Ronni French
Secretary

Approved by the Board on

Chairman of the Chamblee DDA
