

MINUTES

MALL AREA REDEVELOPMENT COMMITTEE MEETING

Friday, February 3, 2023- 3:30pm-5:30pm
ACCGov Planning Department Auditorium
120 W. Dougherty St., Athens, GA 30601

The meetings for the Mall Area Redevelopment Committee will be available to watch live on YouTube at the link available on the calendar entry on the ACCGov homepage or this particular meeting can be viewed at the link provided here:

<https://youtube.com/live/7EOXVyTQtdw?feature=share>

Members Present: Mayor Kelly Girtz (virtually), Commissioner Jesse Houle, Commissioner Mike Hamby, BOE Member Dr. Mumbi Anderson, BOE Member Linda Davis

Members Absent: None

ACCGov Staff Present: Ilka McConnell, Caitlin Dye, Blaine Williams, Niki Jones, Judd Drake and Brad Griffin

Development Team Present: Jon Williams, Ken Neighbors, Scott Haines, Justin Crighton, Mark Jennings and Brian Lu

A. Call to Order as a Special Called Meeting: Caitlin Dye, Business Development and Incentives Coordinator, ACCGov Economic Development Department

1. Meeting began at 3:36 PM

B. Approval of Agenda

1. Motion to approve: BOE Commissioner Dr. Mumbi Anderson
Second: Commissioner Mike Hamby
Unanimous vote to approve agenda

C. Approval of January 30th Minutes:

1. Motion to approve: Commissioner Jesse Houle
Second: BOE Commissioner Dr. Mumbi Anderson
Unanimous vote to approve minutes

D. New Business:

1. Explanation of Community Benefits Agreement, **Dan McRae, Seyfarth Shaw LLP**
 - i. Dan has a working version of the Community Benefits Agreement, which is a conduit for the flow thru of those pay-go payments; it is also a deal document that lists the requirements made of the developer, which include performance commitments, checks and balances, and safe guards for the community.
 - ii. In the document, there are two caps, or maximum amounts, and there is an overall payment limitation. These payment limitations are traditionally the amount requested by the developer to be

- reimbursed. This number currently is still under discussion with the various sides of the transaction.
- iii. Each reimbursement limitation is subject to a limitation that is spelled out in the TAD policies document, one of which is 15% of the project value. The developer is currently asking for 29% of the project value but the policy allows for this as long as the project can generate enough increment to cover the amount.
 - iv. The document also contains certain provisions that won't allow for certain costs to be paid that don't comply with the Redevelopment Powers Law or the Redevelopment Plan.
 - v. The CBA also provides for a Verification Agent that polices the document.
2. Presentation of Financial Evaluation of the Leaven Group Application, **David Corbin, SMC Terminus Group, Inc.**
- i. The purpose of this report is to establish what the "deal" is and if the project economically makes sense.
 - ii. The developer is looking to spend \$475 Million dollars on the project, of which we are being asked to put in \$189 Million dollars (these numbers are being rounded).
 - iii. Of the \$189 Million being requested, \$141 Million is for hard costs and the remainder is for soft costs.
 - iv. This report took out any soft costs that wouldn't add value to the taxable value of the project/property to determine the full value "out the gate". This is just an estimate.
 1. Some examples of soft costs listed in this project are capital placement fees, operating deficits, building permits, etc. See page 17/18 of the report.
 - v. In the current TAD timeline, the project would not generate enough tax increment to cover the hard costs nor the total requested amount. If the term is extended to 2052, the project only generates enough to cover the requested amount if the projected growth rate is 2.50%.
 - vi. From our estimated total project costs, the proposed reimbursement costs make up 39.91% of the total project cost.
 - vii. We do not have any documentation to support the \$630M total project value.
 - viii. Does the financial evaluation contain any information regarding the halo effect? No because that wasn't the scope of the report.
 - ix. No sales taxes are a part of this evaluation as those cannot be included as part of the increment.

E. Committee Discussion and Questions

1. When the CBA is delivered, it will be a final document in a form that the developer agrees to and one that Dan can recommend.

2. Due to ACCGov' s Zoning Ordinance and the need from the developer for both the PD and TAD to be voted on at the same time, it is unclear if the voting decision can be delayed.
3. Commissioner Mike Hamby requested that all the documents and presentations be uploaded to the County's website so that the public may review them.
4. The developer has agreed to all of the BOE's requests except for the 10% at 60% AMI because that request would cause them to ask for more TAD funds, which they do not want to do at this time.
5. BOE Member Linda Davis asked what is in the CBA that could cause the whole deal to blow up.
 - i. Developer's response is anything that is different from what is currently being asked. Example given was if the CBA requests for 20% at 80% AMI for affordable housing instead of their proposed 10%.
6. Where is the risk on the county's side? The risk is on the developer. Essentially if the money is not there for the developer to be paid then they lose the money that isn't there. However, we have to guard against the developer being paid for something that they should not be paid for.
7. Is the \$48M in financing costs eligible TAD expenses? Depends on how (the explanation given) the developer submits the invoice.

F. Date for Next Meeting: February 7, 2023 from 3:00pm-5:00pm at Planning Auditorium

G. Adjourn

1. Motion: BOE Commissioner Linda Davis
Second: Commissioner Mike Hamby
Unanimous vote to adjourn
2. Meeting was adjourned at 5:28 PM