



**City of East Point
Monthly Meeting Summary
Business and Industrial Development Authority**

Thursday, January 4, 2018
3121 Norman Berry Drive
East Point, GA 30344
6:30 pm

I. Call to order

Chairperson, Ms. Dharman, established a Call to Order of the East Point Business and Industrial Development Authority (BIDA) meeting at 6:49 pm.

Board Members Present:

Tina Dharman (Chair), Joseph Johnson (Vice-Chair), Steven Rodgers, Norman Urquhart, Kristin Jackson, and Margaret McClure

Others Present:

Rhonda Appleby (Secretary/Treasurer), Nyomi Haynes (Recording Secretary), and Kirby Glaze (Legal Counsel)

II. Adoption of Agenda

Mr. Johnson motioned to approve the adoption of the agenda. Mrs. McClure seconded the motion. **Approved unanimously, the motion carried.**

III. Approval of the Meeting Summary from the following meeting:

Dec 7, 2017 Summary

Mr. Norman Urquhart motioned to approve the summary. Mr. Joe Johnson seconded the motion. **Approved unanimously, the motion carried.**

IV. Chairperson's Report

Ms. Dharman notified the board of a tax sale for properties located at 2599 Church Street and 2705 Church Street. Both properties were found on the delinquent property taxes registry.

Mr. Glaze informed the board that in December 2017, there was a Sheriff Tax Sale for the property at 2599 Church Street. He was not able to determine if the property sold and who purchased the property.

The property located at 2705 Church Street was not a Tax Commissioner Tax sale. In 2010, Investa System Company bought the property. This company typically buys tax liens and attempts to collect the back taxes up to a year, at which point they sell the property. Investa System Company purchased the 2010-2016 back taxes on the property, which was approximately \$21,000 and the interest owed at prime plus 3%. The company has started the foreclosure procedures. Mr. Glaze stated that if the

board wanted additional information on the property, they must register with Investa System Company and pay a monthly fee or show up at the tax sale. He did not run a title search on the property; however, he was able to determine that Urban Suburban, Inc. purchased the property in 2001 for \$260,000. According to the Tax Assessor's office, the property current assessment is \$209,200. Since the property was built in the 1960's, the property may qualify for historical tax credits.

Mr. Glaze went on to advise that at a tax sale, the purchaser was entitled to 20% return on their investment from the property owner. The property owner have one (1) year to redeem the property by paying the purchaser's cost incurred at the sale plus 20%. If the property owner did not redeem the property within one (1) year, their rights of redemption are forfeited. At this point, the purchaser has the rights to the property. Mr. Glaze went on to state that if the board was interested in both properties, he would research the titles. He recommended a title search versus hiring a Title Attorney.

Ms. Dharman inquired as to who collects the rent during the one (1) year redemption period. Mr. Glaze stated that although the matter would have to be researched, he believed that the lien holder was entitled to the rents. Ms. Dharman asked which party was responsible for the maintenance of the building if the tenant did not pay the rent. Mr. Glaze answered by saying that it would be wise to reach out to the current property owner to see if there are any pressing issues with the building. Ms. Dharman then asked if the board was within its parameters to purchase those types of properties and clean them up. Mr. Glaze responded by saying that the board should look into "creating value" by finding properties that the owner has decided to discontinue investing in. If an investment was made on the property, the board should find ways to leverage the investment by utilizing historical tax credits, low-income subordinate loan programs through the Department of Community Affairs (DCA), and through the city's foundation by finding cheaper means than the average citizen.

Mr. Glaze advised the board that in addition to buying the tax lien, the board could purchase the present owner's right of redemption and redeem the property back to the owner. By dealing directly with the property owner, the board would have the right to inspect the property and do its due diligence.

Mr. Johnson motioned to direct Mr. Glaze to investigate the status of the property and to make contact with the property owner to find out any provisions as it relates to this parcel of property. Mr. Urquhart seconded the motion. **Approved unanimously, the motion carried.**

Ms. McClure expressed her concerns regarding working directly with the property owner. She felt that the owner might ask for more than what was owed on the property. Mr. Glaze stated that the owner has that right; however, it would be in the owner's best interest to sell to BIDA for no more than what was owed. He went on to state that the benefit of buying directly from the property owner was to clear any title issues and not having to wait one (1) year to foreclose on the property owner's right of redemption.

V. Secretary/Treasurer Report

a. Bank Reconciliation

Ms. Appleby submitted the financial report into the record. Ms. Appleby informed the board that she deposited \$2500.00 for secretarial recording services into BIDA's bank account.

Mr. Johnson motioned to approve the invoice for Nyomi Haynes, Mr. Urquhart seconded. **Approved unanimously, the motion carried.**

VI. Legal Report

Mr. Glaze informed the board that at the end of 2017, Arden's Garden bond issue closed in escrow. Soon, BIDA will become the owner of the property and will be able to lease the property back to Arden's Garden for a determined amount to pay off the bond. The bond, which closes in two (2) weeks, has been validated by the court.

Mr. Glaze informed the board that the Chairperson needed to sign off on the application for the bond allocation. This procedure was an administrative function and did not require any action on behalf of the board. The application details the limitations that the Federal Government places on outstanding tax-exempt bonds that can be issued within any given year. In Georgia, the DCA administers the limitations so any authority, city or issuing body that issues bonds must apply to DCA for allocation. According to Arden's Garden Bond Attorney, a bond closing should take place within two (2) weeks once the application was processed. At the closing, BIDA will be reimbursed for the Atlanta Journal Constitution's announcement of the TEFRA hearing. In addition, BIDA will start collecting the annual bond administrative fee of 1/8 of 1% - approximately \$7,000.00 per year.

Ms. Dharman asked if the bond value for Arden's Garden was the minimum amount for bond financing. Mr. Glaze responded by saying that the minimum amount the City of East Point would finance is \$3 million. Ms. Dharman then asked if there was a maximum bond-financing amount. Mr. Glaze answered by saying that BIDA did not have a maximum amount; however, there is a \$10 million maximum under the federal tax law. Under this law, \$10 million is viewed as a small issue; therefore, it does not count against the local jurisdiction cap for doing bond issuance. Federal laws become more complicated when the bond amount exceeds \$10 million.

VII. Old Business

None

VIII. New Business

a. Election of Board Officers

Mr. Johnson motioned to retain the existing board officers. Mr. Urquhart seconded motion. **Approved unanimously, the motion carried.**

Adjournment

Having no further business, the meeting properly adjourned at 7:14 pm following a unanimous adoption of a motion made by Mr. Johnson, seconded by Mr. Urquhart. **Approved unanimously, the motion carried.**