



City of East Point
Monthly Meeting Summary
Business and Industrial Development Authority
Thursday, February 4, 2021
Zoom Webinar
East Point, GA 30344
6:30 pm

I. Call to Order

Brittany Byrom, Chairperson established a Call to Order of the East Point Business and Industrial Development Authority (BIDA) meeting at 6:34 pm.

Board Members Present: Brittany Byrom (Chair), Kevin Albright, Joseph Johnson (Vice Chair), Jackie-Slaughter-Gibbons, Margaret McClure, Kristin Jackson Pritz, and Gloria Speed.

Others Present:

~~Maceo Rogers (Director of Economic Development), Regina Carter (Secretary/Treasurer), and Kirby Glaze (Legal Counsel),~~ Guest client Richard Randolph III, President & CEO of Bedrock Capital Bond Counsel, Joseph Smith And Bedrock Capital Director of Operations, Alexis Mooney

II. Adoption of Agenda

Mr. Joseph Johnson motioned to approve the adoption of the agenda. Ms. Gloria Speed seconded the motion. **Approved unanimously, the motion carried.**

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

January 7, 2021 summary

Ms. Jackie Slaughter Gibbons motioned to approve the summary. Mr. Joseph Johnson seconded the motion. **The motion was approved with Ms. Margaret McClure abstaining however, the motion carried.**

IV. Chairperson's Report

V. Secretary/Treasurer's Report

Ms. Carter gave the financial report of 2 checks clearing the bank of both payable to Attorney Kirby Glaze

VI. Legal Report Mr. Glaze opened his report about the Engagement Letter of last month. Kirby stated the changes were made as requested and everyone should have a copy of those changes in their package. The next item of business Kirby asked Maceo Rogers to introduce our guest of the evening and he will speak to the inducement resolution and agreement that will be before the board for action.

Mr. Maceo Rogers introduced the speaker, Mr. Richard Randolph III, President and CEO of Bedrock Capital and ask that Mr. Randolph introduce his team. Mr. Randolph introduced his Bond Counsel, Joseph Smith of Alabama and his Director of Operations with Bedrock Capital, Ms. Alexis Mooney. Following introductions, Kirby mentioned he and Maceo have spent a good amount of time speaking with Mr. Randolph and his team in reference to the facility they wish to build in the City of East Point and the product they have produced. Mr. Glaze then offered Bedrock Capital the opportunity to share that information to the Board.

Mr. Randolph introduced himself as the Chief Executive Officer of the Bedrock Capital firm and is a native of Atlanta, Georgia. He is a graduate of Southwest Dekalb High School in Decatur, Georgia and was recruited to play Baseball and Football at the University of Alabama on a full athletic scholarship. Most of his adult life he has been an entrepreneur and prior to Bedrock Capital he served as the CEO of Expedient Investment, a Real Estate Investment firm. At Expedient, Richard was responsible for overseeing the renovation of more than 200 single family homes and the new construction of more than 50 single family homes in the Metro Atlanta area. He then progressed from fixing and flopping properties to currently the development of sustainable building materials under the company of EF Block Georgia, Inc.. EF Block Georgia produces an affordable and sustainable building material designed specifically to withstand disaster activities. This product was made for areas that are prone to undergo hurricanes, tornadoes, wildfires, or seismic activities. EF Block meets FEMA and HUD specs and is slated to launch manufacturing and distribution plants in Georgia, Florida, and Alabama during the 2021 calendar year.

Introduction to EF Block Georgia

Richard gave a little history of EF Block Georgia in that they have over 40 years of collective experience within the EF Block family, they have been serving the community for 15 years, produced millions of dollars in gross sales, and built thousands of homes and commercial structures. The structures include various McDonalds, Fire Stations, Hospitals, Urgent Care Facilities, Churches, and residential properties.

Bedrock Capital has partnered with EF Block founders Dan and Sue Ellen Chouinard of Arizona to help things come to fruition on the east coast as a sustainable and affordable building material solution. Richard explained that they realize people would love to have home ownership; however, everyone cannot afford it. The EF Block purpose is to make sure those looking to gain home ownership can have the opportunity to afford a home or even those trying to pursue a commercial business building can do so through using this affordable product. The product is made of 87% recycled expanded polystyrene "Styrofoam", mix with cement and other green additives. EF Block Georgia wants to be the number one recycler in the Georgia and ultimately of the world. This product will reduce the carbon footprint and create long term sustainability in the Southeast Region through their anticipated Georgia Headquarter in East Point, Georgia.

The Corporate Structure

EF Block Georgia LLC is a subsidiary of Bedrock Capital Group, Inc. It is a minority owned business extending EF Block operation throughout the country. Their goal is to corner the Southeast Region market starting in East Point, Georgia by servicing the demands they are currently receiving from Tennessee, North Carolina, South Carolina, Florida, Georgia, Alabama, Mississippi, and Louisiana. As CEO of EF Block Georgia, it is Mr. Randolph's responsibility to identify key markets, create brand awareness and properly capitalize for their expansion. Expanding from the west coast has been a two-year process including obtaining a central location that could bring livable wage jobs to the area and support the city that support them.

The Plan of Action

Anytime you bring a new product, especially a building material product to market you must have certain certifications and licensure in place. The International Code Council (ICC) and the International Residential Code Council (IRC) provides the proper testing and certifications that must be attached and in place for that material. A certified Engineering company will provide the letter of approval to submit to ICC and IRC for building materials which will give the fire rating, the seismic testing rate, and the wind low rate. Next you must make sure you are properly capitalized. Again, as the CEO it is Richards responsibility to ensure they have the proper financiers and resource partners such as Jeff Kervin, President of Troy Bank & Trust. Mr. Kervin has given EF Block Georgia a full letter of support. Please note expansion is virtually impossible without the proper capitalization. Lastly, you want to make sure you are bringing a product to market that has a demand. The EF Block Georgia not only has a single-family residential demand but also has one in the commercial arena as well. This can be seen through the Green Acres Project that is taken place in the Los Angeles Airport and the Atlanta Hartsfield Jackson Airport. The bid for the project in Atlanta was awarded to Trilogy Financial Group who in turn have chosen through a letter of commitment to use the building blocks from EF Block of Georgia for the purpose of building out the Green Acres Project.

The East Point Site

Richard spoke next concerning the hopes of centrally locating in East Point on the 12-acre site on Woodberry Ave off Hwy 166. EF Block is currently in Atlanta on White St off Interstate 20 in a 6,000 square foot location in the Historic West End area along the Atlanta Beltline. If they wanted to remain comfortable in a smaller location and not take advantage of the larger demand, they are experiencing in the Southeast Region they would stay where they are. The company goal is to ensure they can adequately supply the demands of the entire Southeast Region and worldwide from the East Point Headquarters.

However, based upon their current demand they need a larger facility. EF Block is not a regular manufacturing plant, they are 100% Green company that produces a sustainable building product that reduce the carbon footprint by pulling waste items such as polystyrene commonly known as Styrofoam out of the waste stream. These waste stream items are then repurposed through a very confidential proprietary process that does not produce gaseous emission or any gas by-product in the air, nor produce any liquids or fluid into the environment. It is a plug and play manufacturing facility, so they are 100% GREEN. When EF Block Georgia comes in, they come in and make the environment better.

The site that has been selected and is under contract. On this 12-acre site EF Block Georgia has decided to complete a Phase I and Phase II Environmental Assessment to build a 35, 000 to 50,000 manufacturing facility with a 100% Green parking area. Then the second part of building the headquarter facility of the same size will be based upon demand.

The EF Block Georgia Southeast Headquarter in East Point, Georgia decision was the result of a lot of competition. The site selection came down to three final sites between Atlanta, Birmingham and East Point; however, East Point came out on top thus, that is why they are presenting this evening to the Board.

EF Block Georgia Goals

The specifics of the EF Block Georgia project goals include job creation in this unsure economic environment we live in today. It is their expectation to create 40 livable direct wage manufacturing jobs for the citizens of East Point and its residents. Also, there is an expectation of creating 160 ancillary jobs of engineers, architects, construction, and project managers. Mr. Randolph stated they understand better the jobs equal quality of living including the better opportunity to afford homeownership as well as a larger tax base for the City of East Point.

Please remember EF Block Georgia does not come asking for a handout however, instead they come bearing gifts. Mr. Randolph founded the Randolph Foundation in 2008 for the purpose of servicing the single parent households. He has translated partnerships and resources into philanthropic opportunities for the Randolph Foundation. They have partnered with three other companies to be able to offer a Georgia Home Giveaway. One of the companies out of Los Angeles has pulled together the marketing expense of a raffle program in accordance to the Georgia rules, regulations and laws of a Single Family Residence. This will occur once a year in the City of East Point for a East Point resident as a part of the give back component of EF Block Georgia.

Their request is simple they are looking for an industrial revenue bond for EF Block Georgia, LLC which would allow the company help propel the City of East Point to greater heights by taking advantage of the tremendous benefits offered through Renewable Energy and Green Infrastructure Programs. Richard stated they are looking forward to coming to East Point and making a huge positive economic impact, a philanthropic impact and an environmental impact. Above all their goal is to turn East Point into not only the number one recycler in the State of Georgia but also in the southeast region.

Finally, Mr. Randolph opened the floor for any questions the board may have for him to answer. Attorney Kirby Glaze thanked Richard for his presentation and also asked the Board if they had any questions in reference to the product or the project.

Question and Answer Session

Mr. Joseph Johnson stated that currently the chosen site is zoned Residential.

Mr. Randolph corrected: the statement and said the property is currently zoned Industrial which fits into the business outlook of their project.

Mr. Johnson asked what is the amount of the bond they are requesting?

Mr. Randolph Answer: They are requesting a \$10 million dollar industrial revenue bond and they have submitted a Source and Use Budget to East Point's Economic Development Department. Of that 60% of the budget will construct the facility and the remaining will go toward the cost of equipment and livable job creation.

Mr. Johnson then asked: How many jobs are permanent and how many are going to be temporary? Also what is the revenue stream for the permanent jobs versus the temporary jobs.

Mr. Randolph Answer: They do not anticipate creating any temporary jobs. However, they are looking to create 40 new direct livable wage jobs and 160 ancillary livable wage jobs lasting 5 to 7 years or longer.

Mr. Joe Johnson asked if the site EF Block has chosen is contaminated would they do remediation?

Mr. Randolph Answer: Absolutely! Currently, EF Block Georgia has spoken with the seller and have started walking the property with their teams and if contamination is found upon a Phase I assessment EF Block Georgia will foot the bill to correct it.

Mr. Joe Johnson stated there is currently a Sedimentation and Erosion Control Act in the State of Georgia that the City of East Point is participating in thus, would they follow? To further clarify Mr. Johnson's statement Mr. Glaze stated under the Act the site would have to be designed with impervious surface so that it would release water with accomplish a net zero surface runoff such that it would not increase the property runoff that exists now.

Mr. Randolph Answer: Richard stated he has a team of professional architects and engineers that work on each location that comes in on an environmentally friendly aspect as per the set state of Georgia and City of East Point guidelines before they break ground or disturb any land. He also stated he has personally been in real estate for about 16 years and he has the least amount of real estate experience of the overall team professionals. His team of architects have designed everything from bridges to stadiums whereas his team of engineers have worked with companies like the Georgia Department of Transportation and the general contractor team would have us on the phone for over an hour to discuss their resumes. So prior to coming in and doing any work on this project they will obtain all required City of East Point Zoning approvals set by the necessary guidelines.

Mr. Johnson then asked Maceo if any soil analysis have been completed? Maceo responded that the City had not done an analysis or cost benefit on the project at this time; however, a spreadsheet can be done and provide it to the Board. Ms. Gibbons then asked Maceo if the site was a Brownfield site. He again answered No, that it is raw land in the Lawrence Industrial area off Hwy 166.

Kirby stated he did not mean to cut off the question and answering session; however, he needed to explain that this is the first step in the process of what the Board needed to do this evening in considering an inducement resolution and an inducement agreement. So basically, this means the company will locate in the City of East Point and the Authority is prepared to issue the bonds for the project. It will still be incumbent upon the EF Block Georgia to put the financing in place (In other words, find a purchaser of the bonds, i.e. through Troy Bank or other bank). Therefore, in the meantime, the Authority can do a cost benefit analysis on the project in terms of the jobs based on the revenue they have created. In doing a bond issue we are aware there are two potential benefits to the company for this project. Since it is a manufacturing project Kirby stated he would have to defer to EF Block's Bond Counsel and say it would be eligible for tax exempt financing. So, the interest rate on he bonds would be below market rate and because it is being done through the Authority, they would be entitled to a tax abatement (an ad valorem tax abatement) the same as any other bond deal completed by the Authority. Should the Board wish to move forward and approve the inducement resolution, Kirby and Maceo prior to the issuance of the bonds can provide a financial analysis of cost benefits.

Before hearing a motion, Ma'am Chair recognized that Ms. Kristin Jackson Pritz had her hand up to ask a question. Ms. Pritz stated she had several questions for Mr. Randolph.

Question 1. Ms. Pritz asked: What does Mr. Randolph mean by livable wage Job?

Mr. Randolph Answer: *They have jobs available that start around \$12.00 pe hour however, most of their jobs start around \$15 to \$17 per hour which are manufacturing plant jobs, office administration jobs, or shift management jobs, quality control jobs or of that nature. On the average they are looking to pay anywhere from \$32,000 to \$48,000 per year for majority of the positions. Specifically, 60% of the 40 livable wage jobs would fall in that category.*

Question 2. Ms. Pritz asked: How does he plan to poise East Point as the biggest recycler of the State of Georgia?

Mr. Randolph Answer: *What they have done is measured or quantified it base on what they have done in the state of Arizona and in Baha, Mexico (surname California). Their partnering office in Tempe, AZ is currently the largest recycler in the state of Arizona as far as using polystyrene which makes up 33% of landfills worldwide. Therefore, they participate on about 33-35% of all waste streams. When you start recycling polystyrene as far as clean Styrofoam is concerned, if you are reducing the carbon footprint by that large amount it automatically because it is one of the most used pieces of waste it automatically causes you to increase as far as the total recycling of what you pull from the waste stream. So by recycling Styrofoam you are automatically going to be the largest recycler in the state.*

Question 3. Ms. Pritz asked: What about the energy involved in recycling at this place? Will the recycling portion of creating the blocks be done at the East Point Facility or done somewhere else?

Mr. Randolph Answer: *It will be done on site at the EF Block Georgia location in East Point. They have a total electric process that uses a mixer, a granulator, a pre-crusher, and a crusher that will not require heavy labor using hammers or sledgehammers. Instead they require machines that are plug and play powered directly from the facility. These machines crush the Styrofoam until it turns into granulized pebbles, and then the pebbles are covered in Portland cement. The mixing of the pebbles and the cement helps prevent any emissions to come from the Styrofoam transformation process.*

Question 4. Ms. Pritz asked if there is an estimated amount of the utility usage this facility will generate for the City of East Point?

Mr. Randolph Answer: *Yes, they do have some estimates of their utility usage; however, he will have to send that to Maceo.*

Question 5. Ms. Pritz stated that Mr. Randolph has told the board one of his company's goals is to increase homeownership; however, all she has seen thus far is the raffling of one home per year. The question is how does that increase homeownership if you are only affecting one family with one home per year?

Mr. Randolph Answer: *The cost of the overall product reduces the cost of any project, whether the project is residential or commercial by 25-37% on average. Therefore, with that amount of cost reduction the developer can pass the savings on to the end user. So, the end user does not have to pay \$250,00 to \$300,000 for a home; whereas, they can be charged closer to \$150,000 to \$175,000 for a home. At the lower cost of construction more buyers overall will be able to purchase not just one person winning a raffled home. To answer the question EF Block Georgia's goal is to provide a sustainable building solution at a less expensive product which will afford more people the opportunity to homeownership.*

Question 6. Ms. Pritz stated right now the strategic planning that we have for the City has been focused on higher density housing which does not necessarily lend itself to homeownership but instead more rental units, apartments, or maybe condos. So what ensures that a builder will use your product over others?

Mr. Randolph Answer: *EF Block has what is called a R40 rated product that gives them the ability to taut a certain characteristic and specific attributes. California and Florida in 2020 both states required building materials to move to R40 rated products no matter what you are building and no more sticks and bricks only R40 rated products ONLY! It is projected that by 2032 all entities worldwide will have to use R40 rated products. Whoever has the brand recognition, the brand integrity, and is known for doing it will be the product that will be in the highest demand. This product can not only be used for single family structures but also for high density products as well including apartments, condos, townhomes, etc. The same rules and regulations for the R rating will apply so EF Block product will fit right into the East Point 10-year Comprehensive plan.*

Question 7. Ms. Pritz asked Mr. Randolph how many employees do you currently have at the West End location? What guarantees do they have that their jobs will go to East Point residents?

Mr. Randolph Answer: *They currently employ 10 persons and will upscale to 50. They cannot guarantee East Point residents will be employed in their available positions however, their team just had a roundtable to discuss that very question. They have come up with a possible decision to get with East Point Economic Development Department to host a job fair aimed specifically toward the residence of East Point to give them the opportunity to apply for the positions.*

Question 8. Ms. Pritz asked if the EFBlock Georgia site contract is dependent upon the outcome of the Phase I Assessment?

Mr. Randolph Answer: *Yes and No. If the assessment comes back that the site was a chemical waste plant some 100 years ago then no we would not want to move forward with the project on that site. However, if it comes back that the site just needs clean up remediation which EF Bloc can do in a reasonable amount of time and the City can approve it then EF Block will make sure all items are taking care of and they will move forward with the project.*

Question 9. Ms. Pritz asked if the EFBlock Georgia site contract is dependent upon a positive outcome of the BIDA bond inducement?

Mr. Randolph Answer: *Yes, it would heavily affect their decision. They have had a lot of opportunities to go to other locations that did not offer a bond deal; however, Richard stated he is a native of Atlanta born and raised. He would love to be close to home, and it will be fun, and it is in their backyard. This will be a great story and it makes for a cleaner environment with regards to what East Point can taut. We would love to do it in East Point regardless, but it is going to be more prudent and more advantageous to do it here based upon the bond.*

Question 10. Ms. Pritz asked of Kirby if he could provide more information about the tax abatement?

Kirby's answer: *There are a couple of things we can do as we have done it in the pass. He and Maceo can always do a projection of what the tax impact would be. In other words, look at what you are getting off the land now and what you would get if you did this project in terms of traditional taxes and what the paid in tax would amount to over a 10-year period.*

The other thing we can do is since Maceo has a membership with the Georgia Tech LOCI system, we will be allowed to input information into the system and receive the local economic impact assessment of any project. It will also calculate the impact of the additional jobs and wages have on the local economy and considers what it will cost the City of East Point to provide the additional services incurred by the development. Kirby said they can do both of those assessments.

Question 11. Ms. Pritz asked of Maceo How does this project affect the industrial moratorium?

Maceo Responded the moratorium expired at the end of 2020. Richards project did not meet the threshold of the previous moratorium.

When Maceo met with Richard in mid-December they discuss the moratorium because it was in effect at that time and they also spoke about the community benefit program with the inclusion of affordable housing. One of the items Maceo stressed to Richard at that time which why he has it as a part of his program is that Richard is committed to giving back, he is committed to the East Point community benefit component, committed to innovation, green infrastructure, a sustainable product and above all he is committed to the creation of the livable wages jobs. This all adds up to a benefit to the city. This is of course a minority company and initially he qualified as a small business with the current number of 10 employees but with the new employees he is going to add disqualified him as a small business component all together. However, when they continued to talk about benefits and the partnership that goes into these types of projects and the good of the community it made a lot of sense in terms of the kind of business that the city is looking for right now.

Question 12. Ms. Pritz asked Maceo if this project had been brought to us last year would it have qualified with the industrial moratorium or not?

Maceo answered that based on the threshold of 35,000 sq ft and larger EF Block Georgia would have been impacted by the moratorium.

Ms. Pritz Comment: Stated she feels the company is amazing! Also stated she loves that it is innovative. She loves that is a green product.

~~She loves that you are doing something with Styrofoam which no one really does unless it is something like a boutique small product that nobody uses. So she thinks it is really cool. However, her main concerns are that we are only creating about 25 livable wage jobs, we are developing an area that has not been used before so we are not repurposing an existing warehouse space. Therefore, we are making these impervious surfaces however, Ms. Pritz understood there are restrictions on how much water runoff is allowed. She feels the community benefit piece could be a little better and that it is all indirect except for the one home that will be built and raffled off. Nonetheless, Kristin would like to see the financial projections about the tax abatements and how much utilities would be generated before she voted.~~

Mr. Joseph Johnson responded by saying the spreadsheet would have everything Kristin was speaking about on one sheet. He continued to ask if there were any board members who had been to Tempe or Mesa Arizona within the last 5 years because the type of construction Mr. Randolph was speaking of has been going up for years. The current US President is pushing for a clean environment, thus, there will all kinds of grants the City of East Point will be able to make application for in conjunction to improvement of our downtown area.

Mr. Johnson followed that statement with a motion to authorize a bond inducement resolution and agreement of \$10 million dollars for this project. The motion was seconded by Ms. Jackie Slaughter Gibbons. **The motion was approved with Ms. Kristin Jackson Pritz opposing however, the motion carried.**

Mr. Glaze stated the project would still have to come back before the Board for the actual approval of the bonds themselves and a bond resolution and agreement. In addition, the primary purpose of the inducement resolution and agreement is that some of the cost incurred by the company going forward with the project if and when the bonds are finally issued will be allowed to be included in the a tax exempt bond issue. However, without an inducement resolution and inducement agreement this may not be included; therefore it is an incentive to the company to locate within the City of East Point and serve as a trigger point for a tax liability or for a tax ability of the entry on the bonds for the cost they may incur going forward. Attorney Smith agreed with Kirby's statement.

Chairperson Brittany Byrom asked when would Kirby and Maceo be able to share the information request of them by the board concerning this project. Mr. Glaze responded by saying it may take some time to gather; however, they can complete the analysis of the impact in terms of the ad valorem taxes, but getting the LOCI

outcome will take the longest time. The LOCI will need additional information from Bedrock Capital including the wages and the number of jobs. Kirby said he hoped to get most information back to the board prior to the next meeting.

Chair Byrom thanked Mr. Richard Randolp for his time and a most informative meeting share with the BIDA Board.

VII. Old Business

None

VIII. New Business

None

IX. Adjournment

Having no further business, the meeting properly adjourned at 7:28 pm following a unanimous adoption of a motion made by Ms. Jackie Slaughter Gibbons and seconded by Mr. Joseph Johnson.

Approved unanimously, the motion carried.

This summary was approved by Board Members In attendance on April 1, 2021:
Brittany Byrom (Chair), Joseph Johnson (Vice Chair), Margaret McClure, Jackie Slaughter Gibbons, Gloria Speed, and Norman Urquhart



Regina T. Scott-Carter
Secretary/Treasurer
April 1, 2021