



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

Thursday, October 3, 2019

2757 East Point St,

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 6:35 pm.

Board Members Present:

Tina Dharman (Chair), Joseph Johnson (Vice-chair), Jackie Slaughter Gibbins, Margaret McClure, Steven Rodgers, and Norman Urquhart.

Others Present:

Maceo Rodgers (Director of Economic Development), Rhonda Appleby (Secretary/Treasurer), and Kirby Glaze (Legal Counsel)

II. Adoption of Agenda

Mrs. McClure motioned to remove the name meeting summary from the September 5th record of the meeting. Mr. Johnson seconded the motion.

Approved unanimously, the motion carried. Mr. Johnson motioned to approve the adoption of the agenda. Mr. Steven Rogers seconded the motion.

Approved unanimously, the motion carried.

III. Approval of the Meeting Summary from the following meeting: *September 11th, 2019 summary*

Ms. Dharman stated her corrections. Mr. Johnson motioned to approve the amended synopsis. Ms. Slaughter-Gibbins seconded the motion. **Approved unanimously, the motion carried.**

IV. Chairperson's Report

Ms. Dharman had nothing to report.

V. Secretary/Treasurer Report

a. Approval of Expenses

Bank Reconciliation entered into the record.

VI. Legal Report

Nothing to report

VII. Old Business

A. Bond Inducement Policy

Mr. Glaze informed the board that its original bond inducement fee was set at 1/8 of one percent, of the amount of bond issue as an annual fee. That will be paid each year based on the outstanding amount of the bond issue, as done in the Arden's Garden transaction.

However, when presented with the Porsche deal, the board was asked to consider adjusting fee to be more competitive, and Fulton and Dekalb's county's rates were shared. Mr. Glaze recommended ¼ of 1 percent of the bond as a one-time upfront fee. So, it was approved for that transaction but not as a standard fee.

For the bond deal under the non-disclosure agreement, BIDA must consider raising the cap on those fees up to \$65 million, which will generate a fee of \$162,500.

Most authorities do not publish their fees, so it's hard to gather research. However, Dekalb and Gwinnett county negotiate every deal, but he does not recommend that for this board because then that will cause delays in the deal process because the economic development team can not give exact figures to interested parties. Instead, Mr. Glaze suggested there should be a cap on the fees, that fees not be applied to anything over thirty million dollars at which point the fee will be \$75,000, so any bond over thirty million, will not pay more than a \$75,000 one time fee.

Ms. Dharman responded quarter percent is still double what Fulton offers, and that Fulton can always take business from BIDA. So Mr. Glaze replied that BIDA could scale your fees, bonds of 10 million dollars it is 1/4 percent, then what over ten million is 1/8 of a percent.

Ms. Dharman inquired what would be too small for Fulton county?

Mr. Maceo Rogers answered Fulton County's threshold is ten million, but they will not touch this deal because it exists in a TAD.

Mr. Steve Rogers inquired whether there should there be brackets and ranges such as 35-60 etc.

Mr. Glaze responded that BIDA could set a range, most authorities will cap their fees between \$50,000- \$100,000 depending on their competition, etc. So BIDA can do a sliding scale, with no particular cap, since the board has not gotten many bonds above 65 million, maybe with an industrial deal in data or a refrigeration center.

Mr. Johnson motioned that bonds be fined $\frac{1}{4}$ of one percent for first \$10 million, $\frac{1}{8}$ of one percent for \$10 - 75 million. Mr. Steve Rogers seconded the motion. **Approved unanimously, the motion carried.**

B. Proposed Inducement for Project BOSS

Mr. Maceo Rogers did a closed meeting presentation without Non-Disclosure Agreement, the board voted on whether or not to move forward, and the resolution will be presented next Monday to the city council to be voted on.

Mr. Glaze, explained the developer, has decided to break the project into two pieces, one real estate, then the prospect combined for fixtures and equipment. That breaks down to about \$60 million on the real estate and \$13-15 million on the equipment which will be handled later.

Mr. Glaze said from looking at the Fulton county tax assessors website, the 7.62 acres that are going to be developed is valued at \$2,750,000 based on using other plots of land as a reference point.

So the city of East Point is currently receiving is receiving about \$16,500 a year in taxes for the land but with this \$62 million deal in the first year under the abatement it would be in excess of \$492,928.00

Over the course of the ten years of tax abatement, the prospect will receive a benefit of \$2.75 million, which amounts to 25% of what they would have collected without an abatement. But doing the deal will result in \$7 million more than not doing the deal.

This inducement resolution for this project will cover 650,000 square feet of new construction. The project will generate 248 new jobs in the community, and it will take two years to complete, the developers would like to start construction before the end of the year. The developer has already approved the design.

Mr. Johnson motioned to approve the inducement resolution with the corrected acreage. Mr. Steve Rogers seconded the motion.

VIII. New Business

Nothing to report.

IX. Executive Session

Mr. Johnson motioned to go into executive session at 7:15 pm. Mr. Steve Rogers seconded the motion. **Approved unanimously, the motion carried.**

Mr. Johnson motioned adjourn executive session at 7:29 pm. Mrs. McClure seconded the motion. **Approved unanimously, the motion carried.**

Mr. Johnson motioned to enter the regular session at 7:29 pm.

Mrs. McClure seconded the motion. **Approved unanimously, the motion carried.**

Adjournment

Having no further business, the meeting adjourned at 7:30 pm following a unanimous adoption of a motion made by Mrs. McClure, seconded by Mr. Steve Rogers. **Approved unanimously, the motion carried.**