

Development Authority Meeting of August 12, 2011

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DEVELOPMENT AUTHORITY MEETING SUMMARY

I. Call To Order

- ❖ ***Chairman Michael Cross called the meeting to order at 3:04 PM***

II. Roll Call

- ❖ ***All members of the Development Authority were present with the exception of Georgia Barrow and Sandra Johnson***

III. Statement of Purpose

- ❖ ***Chairman Cross read the statement of purpose***

IV. Approval of Minutes

A. Meeting of June 30, 2011

- ❖ ***Bob Hunter offered a motion to approve the minutes as presented***
 - ***The motion received a second from Keith Marsh***
 - ***The motion passed by unanimous vote (5-0-0)***

V. Old Business

A. Consideration of Application for Revenue Bond Inducement

- James Drinkard, Assistant City Administrator, came forward to introduce the item
 - On June 30, 2011 the Development Authority approved a resolution that initiated the process of inducing revenue bonds in an aggregate amount not to exceed \$20 million for the purpose of financing the acquisition, development and equipping of a public charter school

- The school, commonly referred to as Fulton Science Academy, currently operates a middle school and a high school at separate leased spaces within Alpharetta
 - Their intent is to develop a new campus and facilities on a 44-acre site on property located off of Westside Parkway, just north of Encore Parkway
 - The next step in the inducement process is the adoption of a bond resolution, which is the item under consideration today
 - The bond resolution calls for the inducement of revenue bonds in two series
 - The series 2011A bonds carry an aggregate principle amount not to exceed \$19,500,000 - tax exempt.
 - The series 2011B bonds are taxable and carry an aggregate principle amount not to exceed \$500,000
 - Following the adoption of this resolution, a TEFRA hearing will be held on August 18th at 9:00 AM
 - Following that hearing, the matter will be heard by City Council to secure TEFRA Approval
- Thomas Lauth of the law firm of McKenna, Long & Aldrich came forward in representation of the applicant
 - The borrowers involved in this bond deal are Fulton Science Academy, Inc., Fulton Educational Services, Inc. and Fulton Sunshine Academy, Inc.
 - The corporations run the high school, middle school, and elementary school respectively
 - The organizations are chartered by the Fulton County Board of Education
 - The high and middle schools are both currently in operation in leased space within Alpharetta
 - The immediate goal of the bond deal is the acquisition of a new building for the middle and high school
 - The middle school would own the facility and lease space to the high school
 - The elementary school would be a future phase
 - Development of the elementary school would be a future phase that may involve an additional bond issue to finance expansion of the structure or construction of a new building
 - The bond documents are currently drafted to include the elementary school so as to improve credit worthiness in the event of a future bond issue
 - Project timelines and development status
 - Architectural plans for the building are not complete but are in development
 - A request for proposals is currently out, and responses from contractors are due in the first week of September

- Groundbreaking on the site is targeted for early October
 - Opening of the new building is planned for August 2012
- Sam Thomas, City Attorney, read the resolution into the record
 - Mr. Thomas indicated that the resolution makes reference to a variety of documents that he has reviewed and approved
 - Following the aforementioned TEFRA hearing, the bonds will be filed with Fulton Superior Court for approval and validation
 - There should be no problem in securing validation within the timeframes outlined.
- ❖ ***Bob Hunter offered a motion to adopt a bond resolution authorizing the inducement of Development Authority of Alpharetta, Georgia Educational Facilities Revenue Bonds (Fulton Science Academy Project) Series 2011A in an aggregate principle amount not to exceed \$19,500,000 and Educational Facilities Revenue Bonds (Fulton Science Academy Project) Taxable Series 2011B in an aggregate principle amount not to exceed \$500,000 for the purpose of providing funds to finance the acquisition, construction, and equipping of a public charter school; and to authorize the Chair and Secretary – Treasurer of the Authority to execute all necessary documents***
 - ***The motion received a second from Keith Marsh.***
 - ***The motion passed by unanimous vote (5-0-0)***

VI. Informational Reports

- ❖ Prospect Park
 - North American Properties has now closed on the majority of the former Prospect Park site
 - A portion, slightly less than 1/3 of the total site, remains under the ownership of Barry Real Estate
 - North American Properties has been working with the City on the issue of Westside Parkway, and it is anticipated that ownership of the right-of-way should be secured before year-end
 - There is a small piece of property to the north of the site that is still owned by Stan Thomas and which is needed to make the final connection of Westside Parkway to Webb Bridge Road
- ❖ Economic Development Coordinator
 - The City is back on search for an economic development coordinator, the first round having not identified a suitable candidate
 - Application period closes on August 26
- ❖ Downtown Redevelopment Project
 - The November 8 ballot will include a referendum on a General Obligation Bond for financing development of the parking structure, city hall, parks, and certain infrastructure included in the redevelopment project

- An independent citizen committee has formed to promote passage of the bond
- ❖ **Coro Real Estate**
 - James Drinkard reported that the Jaya Films deal has fallen through due to the company having lost a key client
 - As a result, Coro will not be pursuing acquisition of the property that it currently leases from the Development Authority
 - The right-to-purchase clause is effective for the life of the ground lease
 - On August 1 of each year, Coro's cost to purchase increases by 2.5%
 - As of August 1, 2011 the acquisition price escalated to \$484,600.78

VII. Adjourn

- ❖ ***There being no further business to come before the body, the meeting was adjourned at 3:21 PM***