



Minutes of Meeting

October 20, 2020

Pursuant of notice, The Development Authority of Cobb County met at the Cobb Chamber on October 20, 2020 at 11:00 am.

MEMBERS	SEYFARTH SHAW	GUESTS
Clark Hungerford	Dan McRae	Randy Hyde, Cobb Chamber
Donna Rowe		Amy Selby, Cobb Chamber
Kevin Nicholas		Dana Johnson, SelectCobb
Karen Hallacy	DEVELOPMENT AUTHORITY STAFF	Jason Gaines, Cobb County Gov't
J.C. Bradbury	Nelson Geter	Brett McClung, Goldman & Company
Jamala McFadden	Amanda Blanton	Sharon Mason, Cobb Chamber
Smith Peck		Aleks Gilbert, MDJ

Vice Chairwoman Rowe called the meeting to order and welcomed guests.

Executive Director, Nelson Geter, provided guests with the CDC Safety Guidelines for conducting the meeting.

MINUTES: Members reviewed the minutes from the August 18 meeting. Mr. Bradbury made a motion to approve the minutes as presented. Mr. Nicholas seconded the motion and the motion was approved. (6 yes – 0 no)

FINANCIAL REPORT: Board members reviewed the September and October financial statements. Mr. Geter mentioned that expenses shown are those typically seen to include expenses for the audit and administrative fees. Ms. Rowe made a motion to approve the financials as reported. Mr. Nicholas seconded the motion and the motion was unanimously approved. (7 yes – 0 no)

2019 Audit: Mr. Brett McClung, Goldman & Company, presented the 2019 Financial Statements to the board which he described as a clean opinion. After discussing project fees receivable, reimbursable fees for the GA Tech Fiscal Impact Analysis, incentive fees payable, and operating expenses incurred in 2019, Mr. McClung stated that the Authority’s ending net position was at roughly \$1.25M. There were no identified deficiencies or questions found in the audit. Following his presentation, Mr. Nicholas made a motion to approve the 2019 Financial Audit. Mr. Peck seconded the motion and the motion was unanimously approved. (7 yes – 0 no)

SelectCobb Board Assignment: Mr. McRae explained this is an administrative matter for the board to consider. He shared that the governing body of SelectCobb has asked that Chairman Clark Hungerford consider a position on the Finance Committee. Because the Development Authority is involved in transactions with SelectCobb, and therefore could be considered a conflict of interest. He further explained that there are optional procedures in place to address any appearance of a conflict with an acknowledgement of Chairman Hungerford’s position on the SelectCobb Board and Finance Committee as well as the Development Authority. Because there is no financial gain for the Chairman, the board may adopt a resolution that results in the conflict being disclosed and recorded in the minutes. The resolution would also acknowledge that the board did not find this to be a substantial conflict and the Chairman would not be forced to refrain from voting on any matter involving SelectCobb. After much discussion, Mr. Bradbury made a motion to table this agenda item until the next meeting to allow for further consideration. Ms. Hallacy seconded the motion. The motion was approved. (4 yes, 2 no, 1 abstain (No – Rowe and Peck, Abstain – Hungerford)) As a result of this vote, it was suggested that Chairman Hungerford recuse himself from the agenda item regarding SelectCobb. Upon further discussion,

it was determined that Ms. McFadden should recuse herself from the agenda item involving SelectCobb because her firm was awarded funds from the SelectCobb Small Business Relief Grant. Mr. McRae mentioned that the formal process for recusal would include a 30-day public notification in the local paper. This notification will be run for both Chairman Hungerford and Ms. McFadden. No action can be taken on a SelectCobb request until this process is completed.

Project Oakmont: Mr. Will Pickens, Eversheds Sutherland, and Mr. Tom Cobb, Oakmont Industrial Group, spoke on behalf of the project. Mr. Pickens explained that the company was seeking approval of an inducement resolution in the amount not to exceed \$30.4M. Funds would be used to finance the capital costs for an industrial distribution facility located on approximately 33 acres in Austell. The plan included construction of a 466,185 SF speculative building that the company anticipated would bring 50 new jobs to Cobb. Chairman Hungerford made a motion to approve the inducement resolution in the amount not to exceed \$30.4M. Mr. Peck seconded the motion and the motion was approved. (4 yes, 3 no (Hallacy, Bradbury, Nicholas))

KSU Housing Project: At this time, Mr. Bradbury recused himself from the meeting due to conflict of interest.) Mr. Jerry Peterson, Butler Snow, represented the project. He explained that the KSU Housing Real Estate Foundation is seeking approval of an inducement resolution in the amount not to exceed \$41M. The bond proceeds would be applied to costs of construction and furnishing of a new 508-bed housing facility located directly on campus as well as interest and issuance fees associated with the bonds. Mr. Peterson mentioned that this project had not requested any property tax savings for the facility because it was considered a tax-exempt project. He anticipated the project would close by year end. Mr. Nicholas made a motion to approve the inducement resolution in the amount not to exceed \$41M. Ms. McFadden seconded the motion and the motion was approved. (6 yes – 0 no – 1 recuse (Bradbury))

INOP Approval of Lending Documents: Mr. David Keaton explained that this request involves a transaction the Authority approved in 2018 which included acquisition of 2 office buildings later leased to Home Depot. Included in the approval is the Consent to a Collateral Assignment of Bond and Joinder to a Fee. His client is refinancing 6 buildings they lease, two of which are owned by the Development Authority. In order to satisfy the conditions of the lender and secure financing, the Joinder to the Deed to Secure Debt are necessary. Mr. McRae further explained that the Authority currently holds title to the real estate and the lender simply wants to be in the same position as though they are borrowing on the real title. Since the Authority holds title, it must join in the security documents and do so on a non-recourse basis. Following some discussion, Chairman Hungerford made a motion to approve the Consent and Joinder. Mr. Nicholas seconded the motion and the motion was approved. (6 yes - 1 no (Bradbury))

SelectCobb Marketing Update: Mr. Dana Johnson, SelectCobb, and Ms. Amy Selby, Cobb Chamber of Commerce, spoke on behalf of the initiative. Dana began the presentation by sharing project activity since the initiative began in 2012. To date, there have been 153 project wins representing over 33,000 jobs created or retained and roughly \$3B invested in the community. The Development Authority has assisted with a number of those over the years through bond financing and grant awarded. The current project pipeline suggested that all areas in Cobb are seeing activity and many industry sectors have been represented. He also shared that programming in 2020 has changed somewhat due to the pandemic, but the initiative has continued to host virtual events and provided many small businesses with the resources they needed to keep their business afloat. The amount remaining for April 2020 through March 2021 includes funding for partnerships, sponsorships, marketing and promotions and account based marketing. Ms. Selby shared the ad buys for 2020 to include Georgia Trend, Atlanta Magazine, Marietta Daily Journal Fact Book, and Chicago Business Journal. She further shared that web traffic to the site is up 751% from January to September and news coverage and social media posts have seen significant growth as well. To capitalize on the growth, Dana and Amy have hired a consulting firm to launch an account-based marketing strategy with both a domestic and international approach. Each “customer journey” is comprised of targeted online display ads that attract a decision-maker to learn more about the Southeast, Georgia, metro Atlanta, and Cobb. Further into the process, a company will receive more purposeful content with white papers and case studies on companies that have already located their operation here. Finally, the customer receives an email campaign with the opportunity to reach out to our team directly

for more in-depth information. Following their presentation, Mr. Nicholas made a motion to approve the additional \$50K as requested. Mr. Peck seconded the motion. Ms. Rowe proposed an amendment to the motion to suggest that no funds be awarded to SelectCobb until after the 30-day public notification requirement for Chairman Hungerford and Ms. McFadden's recusals had been fulfilled. The motion was unanimously approved. (5 yes – 0 no 2 recusals (Hungerford, McFadden))

Executive Session: At this time, Ms. Rowe called for a motion to enter into executive session to discuss real estate matters. Chairman Hungerford made the motion to enter into executive session. Mr. Nicholas seconded the motion and the motion was unanimously approved. (7 yes – 0 no)

Mr. Peck made a motion to leave executive session. Mr. Bradbury seconded the motion and the motion was unanimously approved. (7 yes – 0 no)

Meeting Reconvened: Following executive session, Ms. Rowe made a motion to proceed with the same contract format as used in 2002 Cobb Chamber Contract for Services, but increase the monthly rate to \$9,500 with the caveat that Nelson's office arrangement improve and a 5-10 year term be negotiated. Ms. Hallacy seconded the motion. After some discussion, Ms. Hallacy moved to amend the motion to negotiate a rate for a 2-year term with the option to renew at the same rate up to 4 times. Mr. Bradbury seconded the motion and the motion was unanimously approved. (7 yes – 0 no)

Legal Counsel Update: Mr. McRae had no updates at this time.

Executive Director Updates: Mr. Geter shared that the Home Depot transaction would close within the next 30 days in the amount of \$46M. The Meredith Park Senior Housing project would also close in November. Nelson mentioned that he is working on several significant projects that, if landed, would bring \$1.5B in new investment to the county.

There being no other business, the meeting was adjourned.