



**Minutes of Meeting**

**July 19, 2022**

Pursuant of notice, The Development Authority of Cobb County met virtually on June 21, 2022 at 11:00 am.

<b>MEMBERS</b>	<b>SEYFARTH SHAW</b>	<b>GUESTS</b>
Clark Hungerford	Dan McRae	Hunter Riggall, MDJ
Donna Rowe	Mike Diamond	Dana Johnson, SelectCobb
J.C. Bradbury		Andrew Dill, Lockheed Martin Corporation
Karen Hallacy	<b>DEVELOPMENT AUTHORITY STAFF</b>	Allison Dyer, Holland & Knight
Courtney Knight	Nelson Geter	Rod McClane, Lockheed Martin
	Randy Hyde	Russell Goldman, Goldman & Company
	Amanda Blanton	Adam Ross, Cumberland CID
		Taylor Croft, AJC

Chairman Hungerford called the meeting to order.

**MINUTES:** Members reviewed the minutes from the June 21 meeting. Ms. Rowe made the motion to approve the minutes as amended prior to the meeting. Ms. Hallacy seconded the motion and the motion was unanimously approved. (5 yes – 0 no)

**FINANCIAL REPORT:** Board members reviewed the financials for July. Mr. Knight made a motion to approve the financial reports as presented. Ms. Rowe seconded the motion and the motion was unanimously approved. (5 yes – 0 no)

**2021 Audit Presentation:** Mr. Russell Goldman, Goldman & Company, presented the board with the 2021 Audit. He mentioned that there were no significant issues and offered a clean opinion. Total assets in 2021 were \$1,074,297 and total liabilities \$50,000. This brought the total net assets to \$1,074,273. Operating revenues totaled \$266,196 with total expenses being \$386,874. Expenses included administrative fees, marketing campaign with SelectCobb, professional fees, meetings and conferences, and others. These figures combined represented an operating income loss of \$120,678 and an ending net position to \$1,074,273. Finally, he mentioned that the submission for the Department of Community Affairs was submitted in a timely manner. Following board discussion, Ms. Hallacy made a motion to approve the audit as presented. Mr. Knight seconded the motion and the motion was approved. (5 yes – 0 no)

**Lockheed Martin Corporation:** Mr. Andrew Dill and Rod McClane, Lockheed Martin, Ms. Allison Dyer, Holland & Knight, represented the project. Ms. Dyer shared that the company is seeking approval of an inducement resolution in the amount not to exceed \$1.6B. Mr. Rod McClane explained that the company has reached a transition point and is trying to compete with competitors in China for defense production contracts. He further explained that the C-130 production is more advanced with modern techniques and the F-35 has made some modernization improvements for productions. He shared that this early technology development will allow them to be more cost competitive for long-term programs. He said that, should the company be awarded these contracts, the result could potentially produce 500-3,000 new, high-paying jobs in Cobb, also retaining talent in the area. This being a multi-phased project, it will continue to reduce costs and bring new employees to area. He continued by elaborating on some of their anticipated projects in manufacturing technology and AI development which included the next generation fighter aircraft and a refueling tanker they

are currently working with partners at AirBus to bring to Marietta as well. The investment of \$1.6B will be phased in over a period of time up to 2041 with two-thirds being personal property and one-third being improvements. Ms. Dyer stated that the minimum job and investment requirements will be outlined in an MOU. Following board discussion, Ms. Rowe made a motion to approve an inducement resolution in the amount not to exceed \$1.6B for personal property and improvements. Ms. Hallacy seconded the motion and the motion was approved. (4 yes – 1 no (Bradbury))

**Legal Counsel Update:** Mr. McRae shared that there has been no movement with the bill that passed in the last General Assembly which provided for a senate study committee review of all development authorities. He also shared that he is closely watching the controversy around the Rivian plant in Covington, GA, highlighting that transparency with the Board of Education is of utmost importance. Lastly, he shared that there is enormous prospect activity at the state level, despite the country's current economic state.

**Executive Director Updates:** Mr. Geter suggested that the next steps for Lockheed Martin representatives include the August 4 meeting of the Board of Education (BOE) leadership. If the company decides to come back in August with the final bond resolution, the DACC meeting may need to be moved to the 23<sup>rd</sup> allowing the company the opportunity to meet with the full board of the BOE for the acknowledgment meeting. Mr. Geter also mentioned that he met with professors at West Georgia and discussed their use of the INPLAN model. He expressed concern that this model provides only the gross and not net present value of the impact and questioned how extensively the model can be broken down to a taxing entity. Dr. William Smith, Department Chair, Professor of Economics, and his team are considering a customized model that would break down to the taxing entity and whether there are other models available universally that provide the necessary information. Mr. Geter shared that other references provided by Mr. Bradbury are not doing the kind of modeling that we need to make an informed decision. He also mentioned that he is waiting for more information on a \$35M expansion project in northern part of county, but should have something very soon. Finally, he shared that Arylesence should be returning soon with the final bond resolution. Company representatives have met with Board of Education and members appeared excited about supporting the homegrown company.

Chairman Hungerford acknowledged the importance of the net fiscal impact so that the board can determine the benefits of each project.

Ms. Rowe shared information on the upcoming Economic Development Symposium where Mr. Geter will represent the Authority during the panel discussions on incentives.

Lastly, it was mentioned that the auditors suggested a revision to the current application outlining the fees associated with bond transactions and have companies to sign acknowledging their understanding of such.

There being no other business, the meeting was adjourned.