



**BOARD OF MAYOR AND COMMISSIONERS  
SPECIAL CALLED WORK SESSION**

**June 3<sup>rd</sup>, 2019**

**5:30 p.m.**

**MINUTES**

Members Present: Jonathan Elmore, Mayor  
Brian Fisher, Mayor Pro Tem  
Lionel Laratte, Commissioner  
Lisa Shortell, Commissioner

Members Absent: Adela Yelton, Commissioner

Staff Present: Patrick Bryant, City Manager  
Keri Stevens, Assistant City Manager  
Paul Hanebuth, Finance Director  
Gina Hill, City Clerk  
Lynn Thomas, Police Chief  
Stephen Quinn, City Attorney

Item No. 1 Meeting Called to Order

Item No. 2 Adoption of Agenda  
Commissioner Laratte moves to adopt. Mayor Pro Tem Fisher seconds. All ayes.

Item No. 3 **Discussion of the Fabric Developers Response to the Request for Qualifications (RFQ) to Develop Commercial Portion of City-Owned Four Acres**

City Manager Bryant recounted how the City received just one response to the RFQ to develop the commercial portion of the City's four acres in downtown. Staff's recommendation was to enter into negotiations with Fabric and hire Bleakly Advisory Group to assist in that effort. He emphasized that the RFQ was just that, requesting proof that a firm was qualified to do the project. Mayor Elmore felt there was a lot of potential through working with Fabric. He added this is something the City has been working towards for a long time and he would like to move forward. It was Commissioner Laratte's understanding that the next step would be for Fabric to put forth a proposal for the development instead of immediately going into negotiations with them. Mr. Bryant explained how the process would essentially not include a request for proposals (RFP) process the BOMC agreed. Mayor Pro Tem Fisher wanted to get more input on the RFQ response itself. He listed some of the conditions

included in Fabric's response. There was discussion surrounding why the City only received one response to the RFQ. Mr. Bryant noted the conditions listed in Fabric's RFQ response are all open to negotiation. Commissioner Shortell said water and sewer capacity also needed to be part of the conversation. She added that the BOMC is committed to place making and not all developers are equipped to do that. Before moving to public comment, Mr. Bryant reiterated that costs are unknown currently which makes some topics difficult to discuss. Information from initial discussions should include preliminary costs, future revenue, incentives, and then move into negotiations with the developer.

Ernelle Fife was interested in seeing affordable senior housing developed. She was also concerned about the potential for higher taxes. Mr. Bryant said a presentation is coming up later in the meeting that will show how the City can pay debt service with current funds so that there should be no tax increase. Marti Schallern asked if there would be tax breaks for seniors any time soon. Mr. Bryant responded the conversation would be best held during a millage rate meeting. City Attorney Stephen Quinn added that the best way to achieve tax relief for seniors is through the state's general assembly. Ms. Shortell said there could be many options. Lyda Steadman offered to send the BOMC some information on such exemptions. Larry Sikorski asked if the Bleakly Advisory Group was currently under contract and, if not, how much would they charge. He was told no in response to both questions. He also asked how many residences were in the City and was told it was 1,541. Dee Merriam thanked the BOMC for exploring options to achieving development goals. She asked about the "liner buildings" that would face US 278 and how other boards like the Planning and Zoning and Architectural Review fit in to the process. Mr. Bryant responded that a lot of that information is unknown at this point. There was discussion about public input in the process. Ms. Shortell agreed with others that a timeline would be helpful as soon as one can be created. Jan Hover noted that illustrations in the RFQ response may conflict with City goals. Mr. Bryant reminded her the response was just to prove that Fabric was qualified for such a project. Mr. Laratte noted that while the BOMC is committed to place making, they will not give away the land just to see something built there. Mr. Elmore and Ms. Shortell elaborated on what is meant by place making. Kathy Kingsbury asked if there would be an RFP process. Mr. Bryant responded that if the BOMC establishes an Urban Redevelopment Agenda (URA) they would be able to go directly into negotiations with Fabric with the assistance of the Bleakly Advisory Group. Ms. Kingsbury also asked when the public would be able to give input during this negotiation process. Ed Reiker had questions about process. Mr. Bryant said that any timeline developed would include public input. Candace Jones felt the City was at a disadvantage in negotiating because there was only one RFQ response. She also believed there are too many unknowns to be able to safely move forward and was concerned about finances. Mr. Bryant explained how in negotiations, having only one RFQ response would not hamper the City. Mr. Laratte reiterated that he would like to see a proposal from Fabric. Mr. Fisher listed the three

choices for the City: try to come to an agreement with Fabric that works for both parties, release a new RFQ, or leave the land as-is for the next 10+ years. Paul Dorroh asked the BOMC to conduct a financial feasibility analysis before moving forward. He believed it would show the project is not feasible. Mr. Fisher responded that the Bleakly Advisory Group already done such a study for the City. There is more discussion surrounding the Bleakly proposal to do a financial feasibility study. Sam Collier spoke to the benefits of pairing with Fabric. Lyda Steadman asked the BOMC to delay their vote on this item. She added that when something of this magnitude was considered in the past, a letter was usually sent to residents. She thought this project should be something for the Downtown Development Authority (DDA) to handle. Ms. Shortell explained that it is very difficult for DDAs to develop anything that is not commercial in nature. There was more discussion about what DDAs can and can't do legally. Jennifer Pindyk asked the BOMC to pay close attention to the dollar amounts and conditions if they move forward to negotiated with Fabric. Liz Goodstein is concerned about how fast the BOMC is moving, public input, finances. Larry Minnix does not support a URA and also felt there needs to be more clarity about what is being built and how much it will cost. He also recommended looking into sponsorships and grants. In discussing next steps, Mr. Elmore said he believes the City needs to hire the Bleakly Advisory Group. Mr. Bryant said a lot of details are missing because they haven't been developed yet. The BOMC and City staff have no more information that does the public at this point, he added. He also said the first step would be to develop the URA. Mr. Laratte said again that he would like to see a proposal from Fabric. Mr. Bryant felt that negotiating directly with Fabric with the assistance of the Bleakly Advisory Group would be the fastest and most cost effective way to achieve the City's goal. He also said the City can't ask for a proposal without going through an official RFP process. A representative from the Bleakly Advisory Group explained that asking for proposals like the one being discussed is a lot different than proposals for police cars or office supplies. Mixed use developments involving a public/private partnership are very complicated and he described the process it might follow to being developed. He also said residents were concerned about future generations being saddled with debt whereas not moving forward would instead mean those generations would still have empty lots and a blighted downtown. He then explained to Paul Dorroh what was meant by the financial feasibility study in their engagement letter. Jan Hover was concerned about the power the Bleakly Group could have over negotiations. Mr. Elmore said they would be working on behalf of the City and therefore would have decision making power. Jim Hutchens is also worried about the Bleakly Group's power. Kevin Galpin is very supportive of concept nine and moving forward.

**Discussion of the Establishment of an Urban Redevelopment Plan (URP) and Urban Redevelopment Agency (URA)**

City Manager Bryant explained that these steps were recommended by Davenport & Company. These plans would outline the areas eligible for development projects. He listed the priority projects within these areas. He also explained how the URPs and the URA will operate. Mr. Bryant reminded the group that no changes could be made to the URPs without a public vote by the BOMC. He added this has all been discussed at recent meetings. Commissioner Shortell said the projects in the URPs are either in the Downtown Master Plan (DMP), have been discussed many times for a long time, or both. She added a storm water master plan is also sorely needed. She felt the URPs and URA are a way to get these projects completed. Mayor Pro Tem Fisher agreed and added that many other cities have used this same vehicle to complete large projects. Commissioner Laratte believed this is the right path if used carefully. He believed the bylaws of the URA will be very important. Bond Attorney Teri Finister discussed her experience with URAs and said in her cases, the members of the URA were almost always the same as the Board of Mayor and Commissioners. Mr. Bryant would like to move forward with establishing the URPs and URA and the risk of not doing so is having to start from scratch.

Harry Vann asks about the length of time between establishing the URA and having funding available. Mr. Bryant said that expenditures must be approved with a public vote and that's after the URA is established and a loan is obtained (which would act like a line of credit). There was more discussion about this process, including how this process allows the City to directly negotiate with a developer, something not allowed otherwise. Ed Reiker asked to see the URA bylaws, which have not been developed. He also asked if a bond taken out several years down the road through this mechanism would require a referendum. He is told that it would not. Mr. Reiker then pointed out some mistakes within the URP and asked if more staff would be needed. Mr. Bryant said there are no plans to add staff at this time. Andy LaRocco asked about the status of the \$1.5 million grant for US 278. Mr. Bryant explained that money can only be used for the US 278 project and those funds are set aside for that. Kathy Kingsbury asked what additional SPLOST funds will be used for and Mr. Bryant responded that will be decided by the BOMC. Ms. Kingsbury would like to see a list of priority projects for SPLOST funds. Mr. Bryant added that US 278 is a top priority because the City has already committed to it due to the grant. Assistant City Manager Keri Stevens said the US 278 plans are being reviewed by the Georgia Department of Transportation with no deadline. Ms. Kingsbury asked Ms. Stevens a question about bike lanes. Paul Dorroh asked how long the map for the storm water URP has been publicized. He recommended selling some of the downtown four acres to the DDA to raise money for the storm water projects. Mr. Bryant said that is not the recommendation of staff. Mr. Dorroh suggests the BOMC work with the DDA to avoid borrowing so much money and looking at other projects instead. Ms. Shortell said

there are reasons that doing the park is a priority and it's been discussed many times. Mr. Bryant added that there was no capital plan for many years and projects were done on a pay as you go basis so this (borrowing to do large scale projects) is a result of that. Ted Penrod asked about the status of the Kensington detention pond. City Attorney Stephen Quinn informed him that easement issues delayed the project for over a year and eminent domain was finally used to obtain an easement from one property owner after much negotiations. Mr. Penrod added that he felt the BOMC has misplaced priorities. Majestic Road resident Annette Phillips lamented the fact that storm water in that area has not already been remedied. DDA executive director Sam Collier reminded the audience that the downtown park will spark more development in the area thus providing more tax dollars. Dee Merriam offered that any changes to the URPs in the future should have more public notice and input. She also felt the URA by laws are very important. Chris Hess is supportive of the BOMC's plan. Kevin Galpin is also supportive with the BOMC granting itself powers to negotiate through the URA. Liz Goodstein wanted the process to slow down and this plans needed rethinking and there should be a referendum. Jen Pindyk asks why the storm water fund cannot be used to pay for the storm water projects. Mr. Bryant told her that that money should be held for emergencies. Chris Hess said the ages of the buildings downtown cited by Mr. Fisher is proof that the City has lagged in development. He was ready for progress and supports the BOMC. Candace Jones requested more specific maps of the URPs. She spoke in opposition of the URA. She felt too much information was missing and felt uncomfortable about a group being able to negotiate behind closed doors. Ms. Jones spoke in favor of having a referendum.

Item No. 5

### **Discussion of Capital Project Timeline & Funding Options**

Finance Director Paul Hanebuth began his presentation. He showed best and worst case scenarios in terms of loan amount, duration of loan, and interest rate. He showed areas of revenue the City receives or is no longer spending and how those funds can be used to service debt. It totaled roughly \$724 thousand per year. There have been no capital projects, according to accounting rules, undertaken in the City in several years. He discussed various projects, associated costs, and how they plan to fund them. Mr. Hanebuth went over potential timelines for some of the projects. He outlined how inflation will make building the park much more expensive if the City waits pays for it in cash years down the road. Taxpayers paying towards it also may not live long enough to enjoy the park. Mr. Hanebuth explained other reasons that make this process beneficial to the City. Mr. Elmore noted that cities that reinvest in themselves are the ones that grow. He believed the time is right to act. Sam Collier described some ways the DDA may be involved in the downtown development project. Mr. Laratte was interested in the DDA being involved so the City's debt could be minimized. The best development occurs when cities invest in public infrastructure like the park, said Mr. Shortell. She believed this will jump start the downtown.

Joe Anziano is supportive of moving forward. Ed Reiker was suspicious that one of Mr. Hanebuth's figures – the fund balance for 2018 – was incorrect and abnormally high. Mr. Hanebuth stood by his figures. If it is correct, Mr. Reiker questions why taxes are being raised. He added this plan was too optimistic since housing values will inevitably go down. He also requested backup information for Mr. Hanebuth's figures. The fund balance for 2018 is high, explained Mr. Bryant, because they have not continued the pay as you go way of budgeting. So money that would've normally been spent in the past is still there. He added that money available for capital projects is pretty consistent year after year. Candace Jones is also skeptical of the large fund balance from 2018. She would like to see figures projected up to ten years into the future. Mr. Bryant doesn't think that fiscally responsible and there are too many unknowns. Mr. Jones asked how the City plans to pay for dredging the lake. Mr. Elmore said it hasn't been decided that dredging is the best approach and it would be looked at in the storm water master plan. In response to questions from Liz Goodstein, Mr. Bryant explained his philosophy of paying for capital projects as opposed to how it's been done in the City in the past. Ms. Goodstein wondered if this plan presented was the best way forward and she wasn't convinced it was.

Item No. 6

**Discussion of Bleakly Advisory Group's Proposal to Assist City in Development Negotiations**

City Manager Bryant said this proposal has two phases but they are interwoven. Mayor Elmore wanted to move forward and accept the proposal. Mr. Bryant said that was also the staff's recommendation. Responding to a question from Commissioner Laratte, Mr. Bryant said there will not be a new Tax Allocation District (TAD). It would remain the same. Mr. Laratte outlined some additional information he would like to see and there was more conversation about TADs. Commissioner Shortell had a couple of questions about Bleakly's scope of work but wanted to move forward. Paul Dorroh asked for clarification on several points in the Bleakly proposal. Liz Goodstein also asked for explanation of some of the wording in the proposal and brought up some of her concerns. Mr. Bryant responded to all questions. Ed Reiker asked at what point does a draft development agreement come before the public. Mr. Bryant said a draft would be discussed in public and posted on the website before the BOMC voted on it. Mr. Reiker asked for as much notice as possible. Mr. Bryant also noted that many of the questions asked do not have answers currently. Mr. Elmore recounted the history up to this point, starting with the DMP, and felt there has been lots of discussion about this project over the years. Liz Goodstein asked the BOMC to slow down until everyone was on board. Candace Jones asked for clarification on Bleakly's scope of work. She also predicted the first could not get the job done for the estimated cost.

Item No. 7

Public Comment

Item No. 8

Adjournment

Commissioner Shortell moved to adjourn. Commissioner Laratte seconds.  
All ayes.

APPROVED THIS 1<sup>st</sup> DAY OF JULY 2019



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Jonathan Elmore, Mayor

ATTEST:



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Gina Hill, City Clerk

Patrick Bryant, City Manager