

The Joint Work Session of the Finance/Executive and Community Development/Human Resources Committees of the Atlanta City Council was held Wednesday, February 6, 2013, at 1:00 p.m. to 3:00 p.m. in Council Chambers, City Hall South, 2nd Floor.

Present: Councilmember Joyce M. Sheperd, Chair Jim Beard, CFO
 Councilmember Felicia A. Moore, Chair Departmental Staff
 Councilmember Yolanda Adrean
 Councilmember Howard Shook
 Councilmember Ivory Lee Young, Jr.

Chairperson Moore stated that this is a meeting from the TAD Audit. Chairperson Sheperd stated that this is our fifth meeting. We will have a Presentation by Invest Atlanta.

Ms. Ernestine Gary: CFO stated that this is a response to the TAD Audit. We agree with the recommendations and have a plan to address them. This is our fifth meeting. We want to complete the recommendations by March.

Mr. Tyron Rachel: of Invest Atlanta stated that we are responding to the five recommendations as to what they were and our response. He then gave an overview regarding the Service Agreement. Recommendation #1 states that the COO should propose for City Council approval modifications to the City's Service Agreement with Invest Atlanta. We expect City Council and Invest Atlanta Board approval in March. Recommendation #2, to determine a plan for the completion of the TADs and we are working on it today. We gave data for when they were completed. Recommendation #3 is the IGA draft that is part of the City Council process. Recommendation #4 is to pull out the Strategic Plan for the 4 TADS. Recommendation #5 is for all of the reporting requirements. Chairperson Moore asked if there were questions about the overview. Where is the drafted IGA? Is it on hold? Chairperson Sheperd responded, yes. Chairperson Moore asked if it has changed since then. Ms. Gary responded that the IGA was drafted in November and had minor changes in it. We talked about the quarterly reporting and the Strategic Plan every three years instead of every year. Chairperson Moore asked Ms. Ward if she saw the final version and if it complies with the audit.

Ms. Leslie Ward: City Internal Auditor stated that she did not find anything to questions. She wants to see the final version. Chairperson Moore stated that we can move forward at the next Finance meeting.

Mr. Peter Andrews: Deputy City Attorney stated that he would double check. Chairperson Moore stated that we need a Substitute.

Ms. Candace Damon: stated that she will review how we got here. We observe that there is no definition of completion so we had to decide if a TAD is ever completed to begin with. We came up with 1st the law says that you have to show distress and deterioration to create a TAD. We propose to examine the TADs and look at the specific roles for the TADs. The goals include suggestions. We should put aside money for substandard housing. The two TADS before us are to determine a description for each of the goals to see if they were achieved. Partial complete is to see progress. Most of the goals is you may wish to stop investing in the TAD and pay down the debt. The goals fit into two categories, which is to strengthen and create a more vibrant downtown and reduce socio-economic distress. The two goals are separate and different. We think that progress has been made. We have built 600 new hotel rooms. Downtown struggles as with the rest of the City. There are 1600 more employment opportunities in downtown Atlanta. Office rates are up 15%, housing has new construction and there is very little subsidized housing created. You have to link strengths with universities. The Westside TAD is partially completed. There are goals of reducing social economics. Distress means that less progress has been made. The good news is that crime

rates are down. It has been reduced about 2.4%. Part of the increase is that downtown attracts non-residents. The poverty rate and housing stocks numbers are much more depressing. This suggests that some progress has been made, but the goal of the TAD is not completed. It makes sense to see which projects should be advanced. We suggest that projects should be thought about the original goals of the TAD. We asked to prioritize projects and sort among them. You should look for projects that make TAD money. You should look for feasible projects as well. The high priority should strengthen downtown such as emerging technology and businesses. You should pick projects that don't make the housing market slump. The TAD benefits the costs. The two final observations are to leverage amounts of funds for other branches of government and fund and finance grants. There has been some use of the increment. We suggest making loans for projects and not just grants. Councilmember Adrean asked if we should step back from identifying where our gaps are. We don't have a Master Plan for downtown. We should have a plan to identify where the gaps are to net downtown together. She is excited about a place downtown devoted to the aquarium and museums. We have a corridor dedicated to governments. Mr. Rachel added that we started with the TAD strategic review. Our president is involved with the Master Plan for downtown Atlanta. The Board of Directors asked us to come up with a plan for downtown. Councilmember Young stated that our communities know that we are committed to doing something. We are building, but there is no success. The downtown development is much driven. We have done a lot from the Westside TAD for downtown Atlanta. Our neighborhood on the out spurts of downtown with high vacancy. The root cause is the position of the people. He has residents that are ready to leave because of the schools. We need to move our investments to promote stabilization. We have invested a lot and they have capacity to produce. Homes that had homeowners are now being rent out because the families are moving out to other Counties. 40% to 50% dropout in Atlanta schools show that we have to invest in capitalism. There are far too many deficits in the neighborhoods for residents to stay. Mr. Rachel responded that he agrees, but the investment they plan to make will address that. We are one piece with a set of partners. The TADS will not resolve it all. Councilmember Young stated that the Redevelopment Plan needs an update. The plan was approved in 2004 (the State Law).

Mr. Brian McGowan: President of Invest Atlanta stated that the human capital side has not been addressed. Councilmember Young stated that APD Solutions was a planning firm. The process for procurement was about six months ago. The communities can recognize what their priorities are. The communities should bring their priorities forward regarding the new Stadium. Councilmember Adrean asked if APD has been successful. Councilmember Young stated that it involved the Westside TAD and they really want to deliver. The community is long overdue to have the process begin. We would be better off if we started from scratch. Mr. McGowan responded that we hired them and they have been working for two months now. We just got an Agreement from the community involvement. Councilmember Winslow asked about the lower end of downtown. Is that in the TAD? Mr. Rachel responded yes. Councilmember Winslow stated that vacant land is more attractive to developers. She is challenging Invest Atlanta to look at our resources. The State Department of Community Affairs could share some resources with us. The school element that is left out is us. There are things we can do together. Chairperson Moore stated that we are not hearing public comments today.

Continuing, Ms. Damon stated that Princeton Lakes public dollars will be used for an area that was undeveloped. Once the community was built, it would have mixed use community. The redevelopment has been redeveloped and successful. Where there were not taxable assets, it is now over \$100 million dollars in taxes. We suggest that this TAD move formally. The financial obligation has been wound up, then the TAD can be terminated and make a decision to extend the TAD or do a new TAD. Chairperson Moore stated that when we talked about the process we thought about the process and said what was formally going to happen. Mr. Rachel added that we recommend that we agree on the completion status. City Council could do a notice of intent and pay down the debt. We have laid out a recommendation. Chairperson Moore stated

that she has not heard anyone say they object. We need to use this as a process and keep moving. Councilmember Young stated that he does not want to say what the Council should or should not do until the District 11 Councilmember be heard. We should request a formal opinion from Councilmember Bottoms. Mr. McGowan responded that the process of winding down is time involved. Mr. Rachel added that there is time analysis. In step one the Legislative Counsel would say that we would not invest more money, but pay down the debt. We together would do a tender offer to get the Bonds sold back to us. We would pay down as fast as possible then the increment goes back to the TAD District. Chairperson Moore stated that when it was established, it was an annex and then made a TAD. The City did not get any increments from it, but now we can receive funds for police, fire, etc. Mr. Rachel responded that page #59 shows how powerful the tool is. Next step is to accept the reports and put together a draft for Eastside, Perry Bolton and Atlantic Station. We can do it in late March 2013. Mr. Rachel concluded that Recommendation #4 is seeking APS corridor and concerns. Is there anything else to consider? If so, we want to respond to the audit and wind it up.

ADJOURNMENT

Having no further business before the Committee, the meeting was adjourned at 2:10 p.m.

Respectfully submitted,

Jim Beard, CFO
Secretary

Charlene Parker
Recording Secretary

“The Department of Finance... because customer service is important to us.”