

Special Called Meeting of the City of Sandy Springs City Council was held Wednesday, July 23, 2014, at 6:00 p.m.

**CALL TO ORDER**

Mayor Rusty Paul called the meeting to order at 6:01 p.m.

**ROLL CALL**

City Clerk Michael Casey reminded everyone to silence all electronic devices at this time. Additionally, those wishing to provide public comment during the Public Comment segments of the meeting are required to complete a public comment card. The cards are located at the entrance and need to be turned in to the City Clerk.

City Clerk Casey called the roll.

**Mayor:** Mayor Paul present

**Councilmembers:** Councilman John Paulson, Councilman Ken Dishman, Councilman Graham McDonald, Councilman Gabriel Sterling, Councilman Tibby DeJulio, and Councilman Andy Bauman were present.

**APPROVAL OF MEETING AGENDA**

**Motion and Vote:** Councilman DeJulio moved to approve the Special Called Meeting Agenda for July 23, 2014. Councilman Dishman seconded the motion. The motion carried unanimously.

**NEW BUSINESS**

**(Agenda Item No. 14-169)**

1. Resolution of the City Council of the City of Sandy Springs, Georgia, Authorizing a Temporary Moratorium on the Acceptance of Development Permit Applications for Multifamily Uses on Parcels that are Zoned C-1 or C-2 (Commercial)

City Attorney Wendell Willard stated the discussion the past several days was to have a resolution before Council dealing with the question about development with mixed use permits on C-1 and C-2 commercial property, as it applies to the City Center. All along Roswell Road, from I-285 to Abernathy Road, there are properties on each side of the road that are unconditionally zoned. Under the City's development ordinances there is the ability to have these properties used in development for a mixed use apartment. The concern that has been expressed is whether there is an overabundance of these types of multifamily uses along the Roswell Road corridor. Sixty days would be sufficient time for staff to review the permit process. The resolution will place a sixty day hold on anyone submitting applications for this use.

Mayor Rusty Paul called for public comments in support of or in opposition to the resolution. There were no public comments. Mayor Paul closed the public hearing.

**Motion and Second:** Councilman Sterling moved to approve Agenda Item No. 14-169, a resolution of the City Council of the City of Sandy Springs, Georgia, Authorizing a Temporary Moratorium on the Acceptance of Development Permit Applications for Multifamily Uses on Parcels that are Zoned C-1 or C-2 (Commercial). Councilman DeJulio seconded the motion.

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**Councilman Gabriel Sterling** thanked staff and Council for moving quickly on this item. Currently, the City has an undefined code section such that if retail is built, an apartment building can be placed on the property. This agenda item is to refine the City code for mixed use, walkable, and retail for what the City is looking for in the long run.

**Councilman John Paulson** asked if this item addresses commercial property only and not properties that are zoned for apartment use.

City Attorney Willard stated this item addresses the properties that have a C-1 or C-2 designation. If the property is currently under an A zoning, which is apartment, or mixed use zoning, it will not be affected

**Councilman Andy Bauman** asked if a property is not under a C-1 or C-2 designation and the owner wants to build an apartment, would they be allowed to.

City Attorney Willard stated a property owner can apply to rezone the property. If they are seeking to create a development such as a mixed use, which includes multifamily, the applicant will have to wait until after the sixty day moratorium to apply.

Mayor Paul stated the only thing the City is approving this evening is a sixty day stoppage of any new apartment permits being issued in the designated areas. He has had several meetings with individuals and it was obvious that the retail was a "fig leaf" to cover up an apartment development. That is not the intent of what is to be the City Center. Council wants residential in the City Center area and for it to be walkable. The district is intended to be a true mixed use district and not just labeled a mixed use as a cover just for apartments.

**Councilman Tibby DeJulio** asked when a sixty day moratorium is in place, can it be extended, and if public hearings will be held.

City Attorney Willard stated an extension can be granted, if necessary. Staff will study where Council wants the City to go with this type of mixed use development and the standards to be applied. Public hearings will be held.

Councilman Sterling stated the main point is to bring clarity, so all know what rules to operate under.

**Vote on the Motion:** The motion carried unanimously.

**PRESENTATION**

1. Presentation on Options for City Center Performing Arts Facility

**City Manager John McDonough** gave an introduction for the presentation on options for the City Center Performing Arts Facility.

**George Bushey, Rosser International**, gave a PowerPoint presentation on the options for the City Center Performing Arts Facility.

**Councilman John Paulson** asked about Type A being an entertainment facility, how large Type B is, and if there is a difference between Type B and Type B+.

**Councilman Gabriel Sterling** asked if the Type B+ will give the City a wider range of options for generating revenue.

Mr. Bushey responded yes.

Councilman Paulson asked if any of the meeting spaces can be utilized with the performing arts center.

Mr. Bushey stated there is an advantage to placing the performing arts center next to the meeting facility or even connecting the two.

Councilman Sterling asked if downscaling the meeting facility to meet the community needs will hurt the City's ability to be cash flow positive with the facility.

Mr. Bushey stated the proposed size of the facility should handle the City's core needs.

**Mayor Rusty Paul** asked if it is accurate to say that the Johnson report looked at what the City can do.

Mr. Bushey responded yes.

Mayor Paul stated the process as of now is to take what the City can do, according to the report, and figure out what works best for the community.

**John Jokerst, Program Manager – Carter, Inc.**, presented the Master Development Programming and Cost Estimates at this time.

Councilman DeJulio asked if the \$40 million towards the construction is being used to hold up the structure for the parking.

Mr. Jokerst responded yes. A significant portion of the parking will be subterranean. If fifty percent or more of the parking deck is not open to outside air, it will have to be mechanically vented.

Councilman Paulson stated it is interesting that going from a 600 seat to 1,000 seat facility adds between ten to fifteen percent to the cost.

Mr. Jokerst stated the larger the facility and the more square footage, the more the cost per square foot is reduced. As the facilities get larger, the range of cost is reduced.

Councilman Paulson stated if the performing arts center and the public meeting space were removed, that would be 1/3 of the total cost.

**Councilman Andy Bauman** asked if the City does remove the performing arts center and meeting space from the plan, would the City need underground parking. He asked for an explanation of the use of the parking lot at day and at night.

Mr. Jokerst stated because of the way a performing arts center works, the parking would not be under the center. More than likely parking can be located under the meeting center. One of the variables is how many parking spaces are needed, and that will be related to the size of the arts center and meeting space.

Councilman Bauman asked about the escalation variable and how the construction costs are evolving.

Mr. Jokerst stated the cost of construction materials has increased significantly. The cost of concrete has increased twenty to twenty-five percent and steel is up ten percent in the last year.

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**Councilman Ken Dishman** asked what the plan is for parking for the mixed use retail and if there is potential opportunity to offset the City's needs to do something jointly.

Mr. Jokerst stated that plan will continue to play out as the overall site is looked at in terms of how things are decided. The size of the arts center and meeting space will tell the developer how the site will be arranged.

Councilman Sterling stated if the City does not do something that has a big enough impact, then the overall redevelopment may not move as fast and be as successful as the City would like to see.

Mr. Jokerst stated the more that can be done to provide great spaces on this site, the more successful it will be. This is an outstanding opportunity for the City.

Mayor Paul stated staff and the team have been working hard to get to this point today. Staff has been working hard to get this information to Council and the public as quickly as possible. There are many unanswered questions at this point, but the City is working on looking at all options. Building this development is important, but an even more important question is how it will be paid for.

**City Manager John McDonough** asked what are the 15 year and 30 year interest rates.

**Finance Director Karen Ellis** stated the interest rates range from 2.73% to 3.2%.

Councilman DeJulio stated for the last nine years the City has use the PAYGO system and we have completed a number of capital improvement projects. In the last three to four years, the City has taken \$13 to \$14 million and put it into the City Center fund. He asked why the \$12.5 million was stopped at year three in the presentation. For this year, the City placed \$13.5 million in the funds and no City services had to be cut.

City Manager McDonough stated the reason is due to the cost of construction. The cost of construction exceeds the availability of the funds on hand. The payment on the debt can be accelerated. If the City continues to use PAYGO with the \$190 million project, the City will not have the funds on hand to pay the bills. There are many options, but this is just an idea for a conservative approach to pay for this project.

Councilman DeJulio stated the bonds have a ten year call protection, even with a private placement. By having the extra money going to the funds, the City can reduce the debt load on a faster basis.

Councilman Sterling stated these are capital funds that are being discussed. The City has about \$75 million that has been allocated to capital projects in the fund balance. Even if the City does accelerate the payments on this project, there will not be an overall change on what is being put in the capital budget for stormwater or sidewalk projects.

City Manager McDonough stated if the City keeps funding at the current PAYGO amount, it will give the City an idea of what can be done on an annual basis for capital projects.

Mayor Paul stated if the City follows the City Manager's option, what will happen after three years is \$5.5 million will be freed up for additional capital projects.

Councilman Paulson stated Option 2 is \$191 million. If the City does take \$10 million out of the fund balance, he suggested a plan be put in place for the fund balance to be restored back to \$20 million.

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Councilman DeJulio stated when this project is bonded, bonding companies may have a requirement as to how much the City has to have as a fund balance reserve.

City Manager McDonough presented the critical decision points at this time.

Councilman DeJulio asked when staff anticipates the master plan for the performing arts center decision needs to be made.

City Manager McDonough stated once Council gives staff direction on the performing arts center, it is reasonable that this item will be back to Council in four to six weeks.

Mayor Paul asked when Council is expected to address these issues.

City Manager McDonough stated an open house will be held tomorrow. It is staff's goal to have feedback on the performing arts center and meeting facility in the month of August.

There was a consensus of Council to bring this item back to Council on August 19<sup>th</sup>.

Councilman DeJulio stated there was mention of two major sports facilities about to begin construction in the metro area and that they will also have mixed use components that will include event facilities. He asked if the City has taken into consideration what they may be planning and what effect it may have on what Sandy Springs is considering.

City Manager McDonough responded only from a cost standpoint. Senior staff met with the Braves yesterday to talk about their project. The new Falcons stadium will be relatively modest from the standpoint of mixed use.

Mayor Paul stated the new Braves stadium and development is still in flux at the moment. It appears what they are planning is more of an entertainment musical venue. He feels comfortable that the City's plans will not clash with what the Braves plans are. He does not feel the City will run into any conflicts.

City Manager McDonough stated from a timing standpoint it will not hurt to be the first to get this project out to bid for construction.

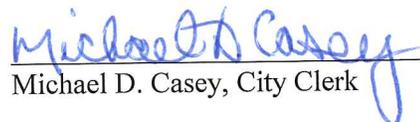
Mayor Paul stated tomorrow evening during the open house the public will be able to give input and feedback on the presentation from this evening. Comments are also being received on the City website.

**Motion and Vote:** Councilman DeJulio moved to adjourn the meeting. Councilman Bauman seconded the motion. The motion carried unanimously. The meeting adjourned at 7:42 p.m.

Date Approved: August 19, 2014



Russell K. Paul, Mayor



Michael D. Casey, City Clerk