

Mr. Worthy explained that the Sembler project (TOWN/Brookhaven) was a mixed-used development with a residential portion and a retail portion that is being developed. He explained that currently there were two (2) multi-family residential properties in existence and they are paying their share of taxes and the expectation is that they will continue to pay their share of taxes. According to Mr. Worthy, Sembler will have one additional multi-family residential building that will pay its fair share of taxes. He continued by stating that there is a retail portion being developed in construction. The retail portion is where Sembler would be seeking 100% tax abatement for a 20-year period. Mr. Worthy reiterated that the retail portion is the issue before the Authority. He then asked the Chair if he would recognize Mr. Jeff Fuqua, Sembler Company, to speak.

Mr. Fuqua informed the Board that the project was approximately 50 acres. Mr. Fuqua used an artist rendering of the Sembler TOWN /Brookhaven project during the discussion. He stated that the property, located on Peachtree Road, was purchased in April 2006. Mr. Fuqua expressed that the retail market collapsed in 2007. He shared that based on appraisal of the property, it is 40% less than when it was purchased. Mr. Fuqua stated that Sembler lost some retailers but gained some great ones; adding that the retail portion of the 400 million project was \$200 million. He informed the Board that the project is not really owned by the Sembler Company in that they bring in investors through syndication. He stressed that there were numerous entities involved along with the nearly 100 investors. Mr. Fuqua stated that the bank is not willing to loan the amount of money necessary to fund the project as they were in 2006 or 2007, when the project was started. Mr. Fuqua stated that this has created an enormous capital gap and noted that there will be no profit in this project, even if it is built. He then referred to the unfinished projects throughout metro Atlanta that are not finished – from Alpharetta, Avondale, Vinings, Atlanta, etc. He informed the Board that if they get the abatement they will pay four (4) times the taxes than what exists with the current property. According to Mr. Fuqua, the property currently pays \$458,000 of property taxes. If the project is built, it will pay \$1.9 million. He stated that Sembler is asking for 53% of the abatement of the whole project. Mr. Fuqua expressed that Sembler took the most conservative estimate. He continued to share additional project revenue or cost projections and included the following:

- Personal property from retailer expected to be \$290,000 yearly and \$5.8 million over 20 years
- Business license fees to the County projected to be \$3.1 million
- Cost of services is \$824 per citizen based on Dr. Michael Bell's information, if this project is built
- Cost of services \$11 million over 20 years
- The cost of education is projected to be \$5,400 per student; \$549,000 per year over 20 years
- Benefit to the County is \$7.2 million a year; \$119 million over 20 years. If ESPLOST is passed the benefit increases to \$159 million over 20 years
- Benefits are 900 to 1100 jobs
- When project "picks up" about half of the tax loss from Perimeter Center will be regained
- Retail portion of abatement – commercial Bldg. (reduced property tax): is \$1.6 million per year; \$38 million over 20 years
- Total abatement (reduced property tax: Bldg. D): \$550,000 per year; \$13 million over 20 years
- Grand Total abatement amount is \$2.1 million and \$50 million over 20 years.

Mr. Fuqua stated that the total net present value equals \$22 million. He stated that Sembler was not taking any tax money but was actually replacing the taxes.