

**Work Session Meeting of the Sandy Springs City Council was held on Tuesday, August 16, 2016, at 8:53 p.m., Mayor Rusty Paul presiding.**

**Councilmembers present:** Council Member John Paulson, Council Member Ken Dishman, Council Member Chris Burnett, Council Member Gabriel Sterling, and Council Member Andy Bauman. Council Member Tibby DeJulio was absent

**STAFF DISCUSSION ITEMS**

**Economic Development**

1. **16-317** Economic Development Incentive Program Overview

**Economic Development Director Andrea Hall** stated this presentation is an update on the City's Economic Development Incentive Program.

**Council Member Chris Burnett** asked about those companies that did not accept the incentives.

Economic Development Director Hall stated depending on the project, some of the companies did not ask, or the parameters of the project changed, and it was not worth coming back to Council to get those changes approved.

**Mayor Rusty Paul** asked if it is possible in areas where we want redevelopment to set up zones and rezone certain areas for extra incentives. The City's incentives are fairly small. Is there an opportunity to look at areas to target redevelopment with additional incentives so that we might be able to steer development to the areas we would like to see?

Economic Development Director Hall responded yes. The City can use some of the State level programs. The City does have an opportunity zone along Roswell Road around the I-285 corridor that is an existing State plan. That is not money the City waives; it is tax credits available at the State level for the Georgia State income tax. However, there are opportunities where Council can adopt certain areas from the City's Comprehensive Plan to designate as potential redevelopment areas. Those areas would be eligible for different types of incentives compared to other parts of the City.

Mayor Paul asked staff to look at those areas that were identified in the northern part of the City for extra focus and at what type of packages can be created to help provide incentives for some of the areas that desperately need redevelopment.

**Council Member Andy Bauman** stated there was a recent request under a project with a secret name. He asked if there is a formal guideline or policy on how to handle situations like that. He asked Economic Development Director Hall to brief Council on why that would occur. Occasionally, there is a situation where the City is in competition with another jurisdiction. He wants to ensure there is an established protocol to follow for those individuals that are being asked to make that decision.

Economic Development Director Hall stated the City does not have a protocol to deal with "private" projects, other than the non-disclosure agreements she is required to sign from the State. It is more of an individual company decision. On an informal basis, she lets the companies know that Council would like to know who the company is. The companies are taking a risk if Council chooses to not vote on an incentive request because they do not know what the parameters are. It is now confirmed that the "private" project from about two months ago is Global Payments.

**City Management**

2. **16-318** Section 108 Loan Process

**Assistant City Manager Jim Tolbert** stated the Mayor has been interested in staff exploring the HUD Section 108 loan guarantee program for some time. Staff looked to see if the City is eligible and met with the HUD staff in Atlanta. The young lady in Washington, D.C. that runs the program nationally was in Atlanta leading a training class. She is from Atlanta and was interested in giving the City great information, which she did. The 108 loan program is a program that HUD provides and can be used for any eligible Community Development Block Grant activity. The program provides that the City may borrow up to five times the annual commitment. In the City's case, the annual amount is about \$500,000 and currently that would be \$2.5 million. The repayment of that loan can be stretched for up to twenty years, if desired by Council. The City can use its CDBG allocation to repay the loan. It is guaranteed with the City's annual allocation, so if the City chooses not to repay the loan, the federal government will withhold the next year's allocation. The City may repay the loan with others funds, if they choose. The Community Development funds are pledged as security. In addition, the government may ask for some other security, such as a piece of park land. Sidewalk and streetscape work is an eligible activity for using these funds. The City has been working for several years on a streetscape project using CDBG funds along Roswell Road. Along the southern section, south of I-285, there is about \$3.5 million left to construct. This project is in the design phase. With next year's allocation and the CDBG 108 Loan Program, the City will be able to fully complete the project. That will be a much more cost effective way to build the project. In continuing to do it one year at a time and rebidding the contract every year, the project takes longer to complete. Any project has to meet the CDBG criteria, which include that you are serving 51% of low and moderate income individuals. That is determined by the census tracts. At least until 2020 that area is eligible as one of those census tracts. Other things that can be done are housing rehabilitation for low and moderate income families; property acquisition for eligible activities; construction of other public facilities; limited economic development projects; and related relocation, clearance or site improvements. The 108 Program is a program that was used a lot in the past for economic development projects. Staff thinks this is a great opportunity to take this money and finish the sidewalk project. The interest rate right now is between 2% and 3%, which is very low, making this a good time to apply for this loan. If the City submits an application at a later date, a public hearing would be required to bring the application back before Council and then submit it to HUD. After that process there should be a loan approval in thirty to sixty days. The money does not have to be drawn down immediately. The City would not have to start paying on the loan until the money is drawn down. The payments can be deferred for a couple of years and can be paid back completely with the CDBG funds. Staff suggests that Council allow staff to create an application, advertise for a public hearing, and then bring it back to Council for approval sometime in the next two to three months.

**Mayor Rusty Paul** stated when the City qualified for the CDBG in the second year of cityhood, his feeling was the City was bidding out a lot of half a million dollar projects. That was using a lot of resources and getting much less "bang for the buck". If the City aggregated the funds, bid the projects out at one time, bid them over the two to three-year timeframe it takes to process, design, bid and build, and the projects were eligible, the City could use the annual CDBG funds to pay them back. Staff has done a good job of laying out the benefits of this loan. The City would have completed a lot of sidewalk projects much earlier, if this had been done sooner. Going forward, this will allow the City more bang for the buck, instead of constructing in small increments. This is basically an advance on the City's annual appropriation. He thinks the focus is on how many more miles of sidewalks can be built over the next few years and this gives the City the opportunity to do that.

**Council Member John Paulson** stated the City has not borrowed money to complete these projects and this is another way of borrowing money.

Mayor Paul stated this is a way of getting an advance on money the City will receive.

**City Attorney Wendell Willard** stated there is a limit on how long the funds can be borrowed.

Council Member Paulson asked if the City is sure it will receive \$2.5 million in the next five years.

Mayor Paul stated the loan is subject to annual appropriations by Congress. This program has been in existence since 1968 and has never failed to be appropriated by Congress, because this is the only remaining Federal grant program that targets local government. Counties and cities across the country have effectively been able to work to preserve this program. There is a risk, but he thinks it is a very slight risk that these monies will not be appropriated. He does not look at this as borrowing, but instead getting these monies in advance, so that the City can do projects at a lower cost.

Council Member Paulson stated he is not sure the City could borrow money from the bank at a 2% to 3% interest rate, so that is an incentive.

Mayor Paul stated the program is designed to allow communities to get an advance on their funds in order to complete the projects. It is a loan, because there is a document stating you will pay the funds back. All the City has to do is let the annual appropriations cover it. The City will receive the money in fiscal year 2016 or 2017 that we would not necessarily receive until 2020 or 2021. This will allow the City to construct larger projects at a lower total cost and allow those annual appropriations to be paid back. This will allow the City to receive money earlier in order to make a more effective use of it. One thing you have to keep in mind as another incentive is that every time the census is completed, the government determines if the income levels are adequate to qualify for the program. With the projects that have occurred in that area, it is very conceivable that after 2020 that area might not be eligible for these funds. It would allow the City to get these things done while this area does qualify for the CDBG funds, which may not be available after the 2020 census, based on demographic changes.

**Council Member Ken Dishman** stated one other potential benefit is the cost of building now versus later, due to labor and material costs that continue to increase.

Mayor Paul stated it is always more cost effective to do a larger project than a smaller project. There will be more critical mass, so a contractor can mobilize more resources at one time and do more projects. Doing it this way lowers the cost of construction.

Assistant City Manager Tolbert stated this may not impact the City, but HUD created a rule about twenty years ago, because some communities were not spending their money. The City is not allowed to have more than \$1.5 million in annual allocations uncommitted at any given time. To get a project where you have to design and acquire right-of-way is always a constant struggle. The Section 108 loan is not subject to that, so once we receive the money, we are not obligated to spend it.

There was a consensus of Council to move this item forward to a future Regular City Council meeting.

### 3. 16-321 Hospital Coordination Project - Traffic Benefits Feasibility Study

**Assistant City Manager Bryant Poole** stated he attended a meeting with the PCID and the local stakeholders from the cities of Brookhaven and Dunwoody, Northside Hospital, and Sandy Springs last Thursday to discuss what is equivalent to a feasibility study for traffic management improvements in the Pill Hill area. In this meeting there was a task order of what has been done. Kimley-Horn was hired to complete this analysis. Project #1 is the Perimeter Center Parkway Managed Lane Interchange – Revive 285. In the upper right hand corner of the map, where the square box is located, is the area where GDOT and Revive 285 show one of the exit points. It is important to keep in mind that if the managed lane project ever comes to fruition, it is proposed to have a managed lane exiting at that location. Project #2 is the Johnson Ferry Road managed access ramp. That is what prompted this study. It is his understanding that Northside Hospital met with GDOT and said they need assistance in helping the patrons get to the hospital. GDOT said that the hospital has to have someone other than a private company seeking this. The PCID took over the concept and broadened the scope to look at traffic management in the area as a whole. Ramps are located on the center of the map where there is a red hatched line and within it two red lines. Those red lines begin and end at Johnson Ferry. Think of this as a Hammond Drive half diamond interchange. The difference is they are proposing this to be a managed ramp, so drivers would pay to use

that exit. A driver would also pay to get on the on-ramp to go back north on GA400. The interesting part of this study is that they recognized beginning and ending points well north of the I-285. These areas are as far north as Mount Vernon Highway and Spalding Drive. GDOT is working on the managed lane project for GA400. GDOT prefers that if this concept comes to fruition, that it is part of the managed lane concept.

**Mayor Rusty Paul** asked if the drivers would be directed to get on a free ramp.

Assistant City Manager Poole responded that is correct. In this concept there is a lot to work through. What you are not seeing on this map is the future I-285/GA400 interchange project that will begin in October. The design team has a challenge ahead of them to work all this out. If the study were to say it will work, how will that be accomplished in conjunction with the CD lane to be completed at the same time four to five years from now. First, you have to prove the need for this, which the City is trying to do on I-285 with the IGR, and at Powers Ferry Road. The third project is taking Perimeter Center Parkway and extending it down to Johnson Ferry Road. The PCID did some preliminary analysis as to whether that could or couldn't work. This feasibility study will carry that analysis even further. In this study, the contractor has nine calendar days to produce the results, which is very quick. This is a very high level study. There will be no cost to the City. The City will participate in the study and give technical input and guidance. It is staff's opinion, at this point, that the City would have concerns if the study were to show that a new access ramp should be constructed or changes should be made to existing ramps. Staff thinks the scope of the analysis should be expanded, whether this study does it or the City considers taking this to the next step and expanding the study; expanding meaning to question why create a ramp at Johnson Ferry Road and why not create a ramp at Glenridge or at Mount Vernon. Staff thinks the scope should be broadened and will let the other jurisdictions know that.

**Council Member Gabriel Sterling** asked if broadening the scope would mean the City receiving a better "bang for the buck" for mitigation of traffic.

Assistant City Manager Poole stated that is correct.

Mayor Paul stated if the City decides to do this, we should look at this systemically and holistically. This takes a very narrow portion of the City's transportation infrastructure and focuses on an important area, but it also isolates this area. You do not know what the impact will have across the entire system. We have all learned that if you do something it reverberates across the whole system. If this occurs, we need to understand what the effects will be across the system.

**Council Member John Paulson** stated Projects 1 and 2 are right in the middle of the GA400/ I-285 intersection improvement project, which has already been awarded.

Assistant City Manager Poole stated completing this in ninety days is asking a lot of the consultant. The consultant does plan on providing geometric designs and layouts as part of the study results. This will be a huge challenge. The study will first say it understands GDOT's concept. Then, based on that, the consultant will do a study and because of the bridges, they would look at where to place the columns. There are also environmental impacts and concerns. As we all know, there are noise walls on these corridors. While they are designing the noise walls, they need to factor in that there are elevated ramps higher than the noise walls. If the plan comes to fruition, the noise walls will need to be made higher.

Mayor Paul stated there may be value in some of these ideas. One of the things the City has been pushing is safety and access to the Pill Hill area. This may be justified, but we need to make sure we understand how that reverberates across the entire system and will affect the other areas. He fully supports this study.

Assistant City Manager Poole stated staff is beginning the dialogue with GDOT regarding the managed lanes and has let GDOT know that the City wants to be a part of the consideration of where there will be exit points.

There was a consensus of Council to broaden the scope of the study.

### **Fire Department**

4. **16-319** Request Approval of an Ordinance to amend Chapter 18 (Emergency Management and Emergency Services), Chapter 22 (Fire Prevention and Protection), and Chapter 105 (Buildings and Building Regulations) of the Code, relating to multifamily rental housing and related provisions governing fire safety and prevention

**Fire Chief Keith Sanders** stated Council discussed at the Retreat an amendment to the fire ordinance regarding apartments. Staff has worked with legal and tried to clarify some of the definitions of a Knox Box for creating an ordinance.

He gave a presentation titled Fire Ordinance Proposed Amendments.

**Council Member Gabriel Sterling** asked why the City would have a private fire hydrant ordinance.

Fire Chief Sanders stated if the Fire Department arrives on scene and finds a fire hydrant is dry, that would be an issue. The City would pull the fire hydrant records or ask the owner to submit the records.

**Council Member Ken Dishman** asked why staff is recommending that existing multifamily rental housing be allowed two years to conform to the proposed ordinance.

Fire Chief Sanders stated there are other items on the ordinance to conform with and staff would like to give the rental housing properties time to comply. There are a lot of apartment complexes throughout the City and these changes are costly. It is about \$75 - \$100 per unit.

**Council Member Andy Bauman** asked if there is a useful life for the fire suppression systems, if they are not utilized.

Fire Chief Sanders stated within three years the units would have to be replaced.

Council Member Bauman asked what is the deadline for the apartment complexes to have the fire extinguishers brought up to code.

Fire Chief Sanders stated the fire extinguisher deadline is one year and they are required to be tested annually. They have a shelf life of about five years.

Council Member Bauman asked if most of the kitchen fires are on electric stoves.

Fire Chief Sanders stated the stove type is not what causes the fire, it is an unattended stove that causes a fire. The fire suppression system includes two units, one on each side that will suppress the fire. These units are a dry chemical extinguisher.

Council Member Bauman asked if this requirement is for rentals only or multifamily condos.

Fire Chief Sanders stated this requirement will be for the multifamily rentals. Staff has not addressed the fee simple owned units.

**Mayor Rusty Paul** stated the City will need to make sure the property owners are educated about this change and budget for it. We would like to do it sooner, but two years is a reasonable time frame.

Council Member Bauman asked if this applies to new construction. He asked if the buildings that were built in the last couple of years that have a sprinkler system would be required to have a suppression system.

Fire Chief Sanders stated at this time the ordinance does not distinguish that.

**City Attorney Wendell Willard** stated when a building has a sprinkler system, hopefully the individual has a fire extinguisher.

Council Member Bauman stated he is referring to the above stove suppression system. He supports the suggested revisions to the ordinance. He wants to be sure that those who manage the multifamily units have an opportunity to give their opinion.

Fire Chief Sanders stated he spoke to the Apartment Association regarding these suggested changes. They were given a copy of the information and they will probably have representation if this item is brought back to Council for approval. There are a lot of structures in the City that have no sprinkler system and have no fire walls in the attic with common space. The intumescent paint would tremendously slow down the progression of a fire. He has been working for the City for twenty-one months and there have been four fire events where the entire roof was burned off of the apartments. There have been dozens of fires that have gotten into the attic. The Fire Department arrived quick enough to stop the fires. This is a problem and is something that is victimizing dozens of citizens, forcing them to leave their homes when the fire events occur. The intumescent paint would dramatically reduce the roofs burning off.

**Council Member Chris Burnett** suggested when discussing these requirements with the Apartment Association, staff should look into what type of insurance premium reductions the apartment properties can give if the required changes are done at a faster pace.

Fire Chief Sanders continued with page 28 of the presentation.

Council Member Burnett asked if the City is requiring all these measures on new construction.

Fire Chief Sanders stated the intumescent paint is an option during the construction phase. The City required the Church of Scientology to use the paint in the attic spaces, because of all the wood that was exposed in that area. All of the apartment complexes that are now being built have sprinkler systems and fire walls.

Council Member Paulson asked when staff plans on bringing this item back to Council.

Fire Chief Sanders stated he needs Council's direction.

Council Member Paulson stated this seems like a significant amount of stuff that the apartment buildings will have to do. He does not know if the Apartment Association has reviewed all of the changes. He asked where the Apartment Association is in the whole review process

**Penelope Mocerri, Director of Government Affairs for the Atlanta and Georgia Apartment Association**, thanked Council for the opportunity to speak. Fire Chief Sanders and staff have been great in reaching out to her and working with them as this process continues. She received a copy of the ordinance early this week, which is why there probably are not many people in attendance this evening to speak on the item. She knows there will be several comments. Knox Boxes are well used across the industry and that is not unusual. Some of the other changes might be more significant. She asked the same question on whether all three items would be required in a sprinkler equipped building, the fire stop as well as a fire extinguisher. There are a lot of individual fire extinguishers used on their own, which can be a huge liability.

Council Member Paulson stated he would like more than two weeks before this comes back to Council.

**City Manager John McDonough** stated this item can be brought back to Council in sixty days.

5. **16-320** Consideration of approval to implement a program to provide disaster recovery services for the citizens and businesses of Sandy Springs

**Fire Chief Keith Sanders** gave the Disaster Recovery PowerPoint presentation.

**Council Member Gabriel Sterling** stated he noticed the one-hour response time. If there is a major incident, such as a tornado, he assumes the contract allows for some flexibility.

Fire Chief Sanders responded yes.

**Council Member John Paulson** stated this sounds like a great idea. He asked if there are other local cities that have implemented this program and is it working.

Fire Chief Sanders answered there are many disaster services available. One thing that is unique about this program is the victim element. These companies will be reimbursed by the insurance companies. The City of Atlanta use this program, and when there is no insurance, the vendor does not get paid. Most property owners have insurance. Cobb County and DeKalb County also participate in this program. He used Cobb County's program to model the City's proposed program.

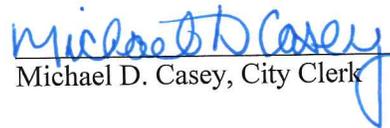
There was a consensus of Council to proceed with the RFQ process.

There being no further discussion, the meeting adjourned at 10:01 p.m.

Date Approved: September 6, 2016



Russell K. Paul, Mayor



Michael D. Casey, City Clerk