

Authority Members

Richard Blevins Antoinette Griffin Chris Davis Keith Palmer Justin Crocker Matt Riedemann Kevin Tidwell

Kennesaw Development Authority Meeting Agenda January 15, 2025 6:00 PM Council Chambers (2529 J.O. Stephenson Avenue, Kennesaw, GA, 30144)

1. Call to Order / Roll Call

2. Approval of the Meeting Minutes

- A. Approval of Executive Session Minutes
- B. Approval of KDA Minutes 8/27/24

3. Financial Report

A. Review financial report as of 12/31/24

4. Old Business

A. Consideration of IGA with City for Jiles Place transfer

5. New Business

- A. Election of Officers
- 6. Public Comments
- 7. Staff Comment
- 8. Executive Session
 - A. Pursuant to the provisions of O.C.G.A. 50-14-3, the KDA could, at any time during the meeting, vote to close the public meeting and move to executive session to discuss matters relating to litigation, legal actions and/or communications from the City Attorney as provided under O.C.G.A. 50-14-2(1); and/or personnel matters as provided under O.C.G.A. 50-14-3 (4) and/or real estate matters as provided under O.C.G.A 50-14-3(6).

9. Adjourn

City of Kennesaw



Balance Sheet Account Summary

As Of 12/31/2024

Account	Name	Balance		
Fund: 780 - KENNESAW DEVELOPMEN				
Assets				
780-0000-11-111200-00000	OPERATING ACCOUNT	395,906.14		
780-0000-11-131500-00000	CD - PIEDMONT BANK	51,244.94		
780-0000-11-710500-00000	LAND HELD FOR RESALE	908,570.29		
	Total Assets:	1,355,721.37	1,355,721.37	
Liability				
780-0000-12-510100-00000	ADVANCE FROM GENERAL FUND	706,479.36		
	Total Liability:	706,479.36		
Equity				
780-0000-13-240000-00000	CONTRIB CAP-INTERGOV	-145,000.00		
780-0000-13-422000-00000	F/B UNRES-UNDESIGNATED	792,003.77		
	Total Beginning Equity:	647,003.77		
Total Revenue		3,093.74		
Total Expense	_	855.50		
Revenues Over/Under Expenses	-	2,238.24		
	Total Equity and Current Surplus (Deficit):	649,242.01		

Total Liabilities, Equity and Current Surplus (Deficit): ______1,355,721.37

City of Kennesaw

Income Statement

Account Summary For Fiscal: 2024-2025 Period Ending: 12/31/2024

		Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 780 - KENNESAW DEVELOPMENT AUTHORITY						
Revenue						
780-0000-36-100000-00000	INTEREST REVENUES	4,800.00	4,800.00	335.77	1,002.81	3,797.19
780-0000-39-113000-00000	TRANSFERS IN GENERAL FUND	0.00	0.00	0.00	2,090.93	-2,090.93
780-0000-39-310500-00000	WALTON RIDENOUR APTS	186,000.00	186,000.00	0.00	0.00	186,000.00
780-0000-39-400000-00000	USE OF PY RESERVES	23,584.00	23,584.00	0.00	0.00	23,584.00
	Revenue Total:	214,384.00	214,384.00	335.77	3,093.74	211,290.26
Expense						
780-7880-52-121000-00000	LEGAL SERVICES	15,000.00	15,000.00	855.50	855.50	14,144.50
780-7880-52-125000-00000	OTHER PROFESSIONAL SERV	12,000.00	12,000.00	0.00	0.00	12,000.00
780-7880-52-332000-00000	MARKETING	250.00	250.00	0.00	0.00	250.00
780-7880-52-350000-00000	TRAVEL	500.00	500.00	0.00	0.00	500.00
780-7880-52-363000-00000	MEETING EXPENSES	200.00	200.00	0.00	0.00	200.00
780-7880-52-370000-00000	CONFERENCE FEES	500.00	500.00	0.00	0.00	500.00
780-7880-52-395000-00000	MILEAGE REIMBURSEMENT	200.00	200.00	0.00	0.00	200.00
780-7880-52-600000-00000	SPECIAL EVENTS	500.00	500.00	0.00	0.00	500.00
780-7880-53-102000-00000	ED STAFF SUPPORT	10,000.00	10,000.00	0.00	0.00	10,000.00
780-7880-53-103000-00000	BUSINESS DEVELOPMENT	25,000.00	25,000.00	0.00	0.00	25,000.00
780-7880-61-108500-00000	TRANSFER OUT - GENERAL FUND	70,000.00	70,000.00	0.00	0.00	70,000.00
780-9000-61-611000-00000	WORKING CAPITAL RESERVE	80,234.00	80,234.00	0.00	0.00	80,234.00
	Expense Total:	214,384.00	214,384.00	855.50	855.50	213,528.50
Fund: 780 - KENNESAW DEVELOPMENT AUTHORITY Surplus (Deficit):		0.00	0.00	-519.73	2,238.24	
Total Surplus (Deficit):		0.00	0.00	-519.73	2,238.24	

For Fiscal: 2024-2025 Period Ending: 12/31/2024

Group Summary

Account Type	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 780 - KENNESAW DEVELOPMENT AUTHORITY					
Revenue	214,384.00	214,384.00	335.77	3,093.74	211,290.26
Expense	214,384.00	214,384.00	855.50	855.50	213,528.50
Fund: 780 - KENNESAW DEVELOPMENT AUTHORITY Surplus (Deficit):	0.00	0.00	-519.73	2,238.24	-2,238.24
Total Surplus (Deficit):	0.00	0.00	-519.73	2,238.24	

For Fiscal: 2024-2025 Period Ending: 12/31/2024

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
780 - KENNESAW DEVELOPM	0.00	0.00	-519.73	2,238.24	-2,238.24
Total Surplus (Deficit):	0.00	0.00	-519.73	2,238.24	

MINUTES OF KENNESAW DEVELOPMENT AUTHORITY MEETING CITY OF KENNESAW Council Chambers (2529 J.O. Stephenson Avenue, Kennesaw, GA, 30144) August 27, 2024 6:00 PM

1. Call to Order / Roll Call

The meeting was called to order at 6:00 pm by Chair, Richard Blevins. Members present: Richard Blevins, Antoinette Griffin, Keith Palmer, Justin Crocker, Matt Riedemann, Kevin Tidwell and Chris Davis Members absent: None Staff present: Luke Howe, Tanyel Aviles

2. Approval of the Meeting Minutes

A. Draft Meeting Minutes 7.17.24

The board reviewed the draft minutes from the July 17, 2024 meeting. Matt Riedemann made a motion to approve the minutes as presented. The motion was seconded by Kevin Tidwell. The motion passed unanimously.

3. Financial Report

A. Financials as of 07.31.24

Keith Palmer reviewed the financial report as of 7.31.24. The current balance in the KDA operating account is \$598,497.30, and a Piedmont Bank CD of \$50,000. Activity on the account included interest accrued and legal fees of \$1,798.00. Total assets are \$648,496.02. Antoinette Griffin made a motion to approve the financial report as presented; the motion was seconded by Kevin Tidwell. The motion passed unanimously.

4. Old Business

A. None

5. New Business

A. Consideration of Intergovernmental Agreement (IGA)

Mr. Fred Bentley states that the KDA had previously elected to move forward with a contract or at least a letter of intent (LOI) in connection with the purchase of the property at 2881 Main Street. The LOI was executed, and a contract has been prepared. This would allow the KDA to reach out to the City to borrow \$700,000 to close the gap as the KDA will be adding \$200,000 for the purchase of 2881 N Main St

in the amount of \$900,000. There would also be closing costs associated with the purchase of the property that the KDA would be responsible for. At the time of the sale or dispose of that property, the KDA would then repay the City. The Intergovernmental Agreement (IGA) accomplishes that. Approval from the KDA will then move the IGA in front of Mayor and Council.

Mr. Luke Howe states that approval of the IGA will appear before Mayor and Council on their September 9, 2024 agenda for their work session, and voting would occur September 16, 2024. And, if all goes well, closing would occur the week of September 16, 2024.

Mr. Chris Davis states that he was not present for the last session. However, upon review of the minutes, he states he does not see an approval for the purchase of the property. Simply, that they would continue discussion.

Mr. Luke Howe states that the KDA approved due diligence, and crafted a letter of intent (LOI) with contingencies. However, because this is a sale agreement, board approval is needed.

Mr. Chris Davis asks if the LOI states that the board will definitively purchase the property.

Mr. Fred Bentley explains that the LOI states an intention of purchasing the property. The contract that has been prepared for approval at the current meeting, should it be executed, would authorize the execution of purchase sale agreement. That would then go to Mayor and Council for approval. The property is a foreclosure, and the KDA would then receive the title to that property.

Mr. Chris Davis states that he has questions regarding the IGA and the purchase agreement. He wants to know why the KDA is purchasing this particular property. The KDA debates on whether or not to enter executive session. However, they choose to continue without executive session.

Mr. Fred Bentley explains that the LOI binds the KDA to nothing other than an intent to enter into a contract. If the contract is not entered into, then there is nothing to consider.

Mr. Chris Davis asks why the loan amount is \$700,000 as opposed to the full \$900,000 purchase price.

Mr. Fred Bentley explains that the City wants the KDA to have a vested interest, aka skin in the game.

Mr. Chris Davis is concerned as \$200,000 would be a third of the KDA's available funds.

Mr. Fred Bentley explains that this is being done in every jurisdiction he is involved in and that it is common place for local government to either loan or provide money to go buy properties, assemble properties and redevelop. He states that the only way the KDA can be assured that they will get the type of use that they are looking for is to purchase the property. He explains that the same was done for the Burgerfi/1885 property, and the KDDA did something similar with the Budgetel property.

Mr. Chris Davis asks if the KDA would take similar actions.

Mr. Fred Bentley cites the Revival on Main property as a similar redevelopment as well.

Mr. Matt Riedemann explains that the fiscal investment in those properties was reimbursed when the properties were sold.

Mr. Chris Davis is concerned that the City is unable to permit the property for redevelopment.

Mr. Fred Bentley explains that the KDA may not actively develop the property. They may have a development partner that will develop the property.

Mr. Luke Howe explains that permits are able to be obtained on the property, and have been previously obtained.

Mr. Fred Bentley mentions that the original bank loan on the property was \$1.4 million, and the KDA would buy the property at \$900,000.

Mr. Chris Davis agrees that it is a good purchase, and the KDA should be invested in the City. However, he is concerned about next steps and liability.

Mr. Luke Howe states that he would like to find a buyer that considers the City's best interest.

Mr. Richard Blevins states that he would like to pick the right individuals or company to take over the property.

Mr. Chris Davis confirms that by buying this property the KDA would have control as to who the property is sold to and what can be done with said property.

Mr. Luke Howe also explains that this is a way to get the KDA more involved in City development. He addresses Mr. Davis's concern about next steps and liability by explaining that he does not believe the property will be unused for very long as there has been great interest thusfar. With current interest rates, if someone were to simply buy the property, they may not be able to rehabilitate it properly. If the City holds title to the property, they will be in the first position as financier to help with the rehabilitation, as opposed to secondary to an existing bank loan. This purchase will allow the City to have more control over the development of the property.

There is a brief discussion speculating about the distribution of any profit made on the property. No conclusion was reached.

Council Liaison, Mr. Pat Ferris, states that the Council agrees with the KDA's \$200,000 investment in this purchase to support development in the City. He believes Mayor and Council's intent is to receive \$700,000 back on the investment, and they expect to at least break even on the sale. The intent is not to make money, but to promote development. They would like to see this area be developed into something the City can be proud of and something sustainable.

Mr. Luke Howe states that this is a first step to more projects to develop Kennesaw. Mr. Richard Blevins calls for a motion to approve the IGA. Matt Reidemann motions to authorize the Chair to sign the IGA with the addition of having the authority to add or change any percentages of profits if needed as long as it is consistent with the investment. Mr. Keith Palmer seconds the motion. Motion passes unanimously.

B. Consideration of the PSA for 2881 N. Main St.

Mr. Chris Davis asks if the property needs to be inspected.

Mr. Luke Howe states that the property has been inspected by City Staff, and believes the price is adequate for the worth of the property.

Mr. Chris Davis asks about the closing costs.

Mr. Fred Bentley explains that there is no broker involved in the closing costs. The closing costs will be buying the title policy.

Mr. Richard Blevins calls for a motion to authorize the Chair to sign the purchase sale

agreement as presented and with any additions by Mayor and Council, and authorize the KDA to release \$200,000 plus any necessary funds for closing costs, etc. Motion by Matt Riedemann. Second by Keith Palmer. Motion carries unanimously.

C. Authorize Chairperson to execute closing documents for the acquisition of 2881 N. Main St.

No action needed.

6. Public Comments

None

7. Staff Comment

None

8. Executive Session

A. Pursuant to the provisions of O.C.G.A. 50-14-3, the KDA could, at any time during the meeting, vote to close the public meeting and move to executive session to discuss matters relating to litigation, legal actions and/or communications from the City Attorney as provided under O.C.G.A. 50-14-2(1); and/or personnel matters as provided under O.C.G.A. 50-14-3 (4) and/or real estate matters as provided under O.C.G.A 50-14-3(6).

9. Adjourn

Richard Blevins calls for a motion to adjourn. Motion by Kevin Tidwell. Second by Justin Crocker. Adjourned at 6:46pm.

CITY OF KENNESAW GEORGIA

RESOLUTION NO. 2024-62, 2024

RESOLUTION APPROVING THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF KENNESAW, GEORGIA AND THE KENNESAW DEVELOPMENT AUTHORITY FOR THE JILES PLACE PROPERTY TRANSFER

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF KENNESAW, COBB COUNTY, GEORGIA, AS FOLLOWS:

WHEREAS, the City of Kennesaw "City" and the Kennesaw Development Authority "KDA" entered into a Fourth Amendment to Intergovernmental Agreement executed on May 7, 2018, whereby the Jiles Place Property was transferred to the City by Warranty Deed in exchange for the satisfaction of an outstanding loan to the KDA; and

WHEREAS, the City seeks to transfer the Jiles Place Property back to the KDA for the purpose of ratifying an existing lease of the property to a third party, said lease funds to be retained by the KDA and for the purpose of approving a sale by the KDA to that third party as well as to address the repayment of funds to the KDA; and

WHEREAS, pursuant to Article 9, Section 3, Paragraph 1 of the Constitution of the State of Georgia, the City and the KDA are authorized to enter into intergovernmental agreements; and

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of Kennesaw hereby approves the Intergovernmental Agreement, attached hereto, between the City and the Kennesaw Development Authority related to the transfer and future sale of the Jiles Place Property.

BE IT FURTHER RESOLVED that this hereby authorizes the Mayor to sign and execute the Intergovernmental Agreement between the City of Kennesaw and the Kennesaw Development Authority, attached.

PASSED AND ADOPTED by the Kennesaw City Council on this <u>Ipm</u>day of December 2024.

ATTEST WENT KENT OF KENNS Lea Alvarez, City Clerk SEAL

CITY OF KENNESAW

Derek Easterling, Mayor

INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF KENNESAW, GEORGIA AND THE KENNESAW DEVELOPMENT AUTHORITY

THIS INTERGOVERNMENTAL AGREEMENT ("Agreement") is entered into this day of <u>Dec.</u>, 2024, by and between the City of Kennesaw, Georgia (the "City") and the Kennesaw Development Authority (the "KDA").

WITNESSETH:

WHEREAS, the KDA was created to promote the revitalization and redevelopment of properties within the City and to develop and promote for the public good and general welfare trade, commerce, industry, and employment opportunities and promote the general welfare of this State by creating a climate favorable to the location of new industry, trade, and commerce and the development of existing industry, trade, and commerce, all as more fully and particularly described in the Development Authorities Law (O.C.G.A. § 36-62-1 *et seq*, as amended from time to time);

WHEREAS, the City and the KDA entered into a Fourth Amendment to Intergovernmental Agreement executed on May 7, 2018, whereby the Jiles Place Property was transferred to the City by Warranty Deed in exchange for the satisfaction of an outstanding loan;

WHEREAS, the City seeks to transfer the Jiles Place Property described in the attached Exhibit "A" back to the KDA for the purpose of leasing and possible sale of the property to a third party, said lease funds to be retained by the KDA;

WHEREAS, pursuant to Article 9, Section 3, Paragraph 1 of the Constitution of the State of Georgia, the City and the KDA are authorized to enter into intergovernmental agreements;

NOW THEREFORE, in consideration of ten dollars (\$10.00) in hand paid and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

- <u>Title Jiles Place Property:</u> The City hereby agrees to convey in fee simple with good and marketable title, free and clear of all liens and taxes the Jiles Place Property to the City by General Warranty Deed subject only to the Permitted Exceptions. Marketable title shall be determined according to the applicable Title Standards adopted by the State Bar of Georgia. The Limited Warranty Deed shall be prepared in substantial conformity to that which is attached hereto as Exhibit "A";
- 2. **KDA to Execute a Note:** As part of the transfer of title described herein, the KDA shall execute a note in favor of the City of Kennesaw in the amount of \$35,000.00;
- 3. **Future Sale of Jiles Place Property**: At such time as the Jiles Place Property is subsequently sold by the KDA, the KDA agrees to repay the City for said property;
- 4. <u>Cooperation:</u> The parties agree to cooperate fully and to execute any and all supplementary documents and to take all additional actions that may be necessary or appropriate to give full force and effect to the terms and intent of this Agreement;
- 5. <u>Interpretation and governing law:</u> This Agreement shall be construed and interpreted in accordance with the laws of the State of Georgia, with the sole and exclusive venue for the

resolution of any dispute arising out of or related to this Agreement being in the State and/or Superior Court of Cobb County, Georgia;

- 6. <u>Severability:</u> If any sentence, phrase, provision, portion, or clause of this Agreement should at any time be adjudged invalid, unlawful, unconstitutional, or unenforceable for any reason, said adjudication shall in no manner or way affect the other sentences, phrases, provisions, portions or clauses hereof, and all remaining portions shall remain in full force and effect as if the portion adjudged or declared invalid was not originally a part hereof;
- 7. **Entire Agreement:** This Agreement constitutes the entire agreement between these Parties and supersedes all prior agreements regarding the subject matter, whether any such prior agreements are written or oral;
- 8. <u>Execution</u>: This Agreement may be executed in any number of copies and each copy signed shall constitute an original. Any party transmitting its signature by facsimile shall be deemed to have accepted and adopted such facsimile signature as such party's original signature and that same is sufficient to bind such party to this Agreement as if such party's original handwritten signature is attached hereto. This Agreement may be modified only by written instrument signed by all parties;
- 9. <u>Authority:</u> The parties hereby affirmatively represent that each such party has authority to enter into this Agreement and that this Agreement has been properly and duly approved by each respective party;
- Headings: The descriptive headings in this Agreement are included for convenience or reference only and shall not affect in any way the meaning or interpretation of this Agreement; and
- 11. <u>Time of Essence</u>: Time is of the essence of this Agreement.

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WEHREOF, the Parties have hereunto set their hands and seals this day and year first above written.

APPROVED AS TO FORM:

City Attorney



Derek Easterling, Mayor

ATTES Cit Clerk

Sworn to and subscribed before me this the 16 day of 2024.



KENNESAW DEVELOPMENT AUTHORITY

By:

Title:

Chairman

ATTEST:

Print name

Attesting signature

Sworn to and subscribed before me this the _____ day of _____, 2024.

Notary

(SEAL)

EXHIBIT "A"

to

Intergovernmental Agreement between City of Kennesaw and the Kennesaw Development Authority

After recording, please return to Bentley, Bentley & Bentley 241 Washington Ave. Marietta, Georgia 30060

LIMITED WARRANTY DEED

GEORGIA, COBB COUNTY

THIS INDENTURE, made this 16th day of <u>Dec</u>., 2024, by and between the CITY OF KENNESAW, GEORGIA, as party or parties of the first part, hereinafter referred to as "Grantor", and the KENNESAW DEVELOPMENT AUTHORITY, as party or parties of the second part, hereinafter referred to as "Grantee" (the words "Grantor" and "Grantee" to include their respective heirs, successors and assigns where the context requires or permits).

WITNESSETH that: Grantor, for and in consideration of the sum of TEN DOLLARS AND OTHER GOOD AND VALUABLE CONSIDERATIONS (\$10.00) in hand paid at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold, aliened, conveyed and confirmed, and by these presents does grant, bargain, sell, alien, convey, and confirm unto the said Grantee,

All that tract or parcel of land lying and being in Land Lots 62 and 63 of the 20th District, 2nd Section, Cobb County, Georgia in the City of Kennesaw, Georgia being one parcel as more particularly described on Exhibit "A" attached hereto and made a part hereof by reference thereto for a more complete description of the property.

TO HAVE AND TO HOLD the said tract or parcel of land, with all and singular the rights, members, and appurtenances thereof, to the same being, belonging, or in anywise appertaining, to the only proper use, benefit, and behoof of the said Grantee forever in FEE SIMPLE. Grantor hereby warrants that Grantor has the right to sell and convey said land and bind himself, his heirs, executors, and administrators forever to defend by virtue of these presents.

AND THE SAID Grantor will provide a limited warranty and forever defend the right and title to the above-described property unto the said Grantee against the claims of all persons whomsoever.

IN WITNESS WHEREOF, Grantor has hereunto set his hand and seal the day above written.

CITY OF KENNESAW

Derek Easterling, Mayor Notary Public THINNIN'S UGUS 26 [NOTARY SEAL] My commission expires: 001

ATTEST: unununununun OF KENA PRIMINIAMINIA SEAL WESAW, GA

Signed, sealed, and delivered in the presence of:

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EXHIBIT "A"

ALL THAT TRACT OR PARCEL OF LAND lying and being in Land Lots 62 and 63 of the 20th District, 2nd Section, Cobb County, Georgia, the same being more particularly described as follows:

BEGINNING at the point of intersection of the southerly right of way line of the CSX Railroad (f/k/a the Western Atlantic Railroad; having a 100 foot wide right of way) and the westerly right of way line of Moon Station Road (having a 60 foot wide right of way); running thence North 35 degrees 20 minutes 00 seconds West along the southerly right of way line of said CSX Railroad a distance of 400.00 feet to a point; running thence northwesterly along a curve to the right along the southerly right of way line of the CSX Railroad a distance of 291.80 feet to a point (said curve having a chord line running North 44 degrees 50 minutes 00 seconds West a distance of 290.00 feet); running thence South 18 degrees 25 minutes 00 seconds West a distance of 297.30 feet to a point on the northerly right of way line of Giles Road (having a 50 foot wide right of way); running thence northeasterly, easterly and southeasterly along a curve to the left along the northerly right of way line of Giles Road to a point (said curve having a chord line running South 81 degrees 45 minutes 00 seconds East a distance of 212.00 feet); running thence South 52 degrees 00 minutes 00 seconds East along the northerly right of way line of Giles Road a distance of 225.00 feet to a point: running thence South 52 degrees 29 minutes 05 seconds East along the northerly right of way line of Giles Road a distance of 175.00 feet to the point of intersection of the northerly right of way line of Giles Road with the westerly right of way line of Moon Station Road with the southerly right of way line of the CSX Railroad and the POINT OF BEGINNING; said property containing 1.910 acres as shown on plat of survey for Mrs. Myrtice Franklin, dated January 18, 1985, prepared and certified by Thomas E. Williams, Georgia Registered Land Surveyor, which plat is incorporated herein by reference; and being a portion of the property conveyed in that certain Limited Warranty Deed originally recorded in Deed Book 7059, Page 264, Cobb County records, and re-recorded in Deed Book 10324. Page 276, and re-recorded in Deed Book 14715, Page 543 of aforesaid records.