

Tyrone Town Council
Workshop Meeting Minutes
November 5, 2020
5:30 P.M.

Present:

Mayor, Eric Dial

Mayor Pro Tem, Gloria Furr

Council Member, Linda Howard

Council Member, Melissa Hill

Town Manager, Brandon Perkins

Town Clerk, Dee Baker

Planning & Zoning Coordinator, Phillip Trocquet

Finance Manager, Sandy Beach

Court Clerk, April Spradlin

Town Engineer/Public Works Director, Scott Langford

Police Chief, Randy Mundy

Mayor Dial called the meeting to order with limited seating and broadcasted on YouTube Live at 5:30 pm, this was followed by the invocation. The public was invited to watch.

Approval of Agenda

Council Member Furr made a motion to approve the agenda.

Council Member Howard seconded the motion. Motion was approved 3-0.

1. Downtown Development Authority ***Brandon Perkins, Town Manager***

Mr. Perkins introduced the item and stated that initially, the Downtown Development Authority (DDA) formulation was discussed during the Council Retreat. He added that Council asked for the topic to be brought to them at a later date. He added that there would be no need for a vote, however, a brief presentation would give Council the opportunity to ask questions of staff. It would also allow staff to gain feedback from Council on how they wished to proceed.

Mr. Perkins shared a slideshow and informed Council that Georgia law allowed DDA's in every municipality. The municipality must take the proper steps in order to initiate an authority of this nature.

Council Meeting – Social Distancing/YouTube Live
November 5, 2020 Workshop

He shared that the DDA would be a separate group from Council, which was a project-driven entity that planned and managed the downtown business district. He explained that Mayor and Council would set the tone for the DDA. There are also driving documents such as the Living Center Initiative (LCI) that would also play a part. DDA's can acquire loans, they could also obtain or dispose of property. This would give the Town more say of what goes where. He gave the example of a blighted facility; the DDA could purchase the property and have it repurposed as a specific type of business.

Mr. Perkins shared many powers that the DDA could obtain: to sue or be sued, adopt and change as necessary a corporate seal, to make and execute contracts such as construction or other agreements, lease or sale of projects or agreements to finance projects, purchase, own, lease, or dispose of property, the authority's property would be tax-exempt, the authority could finance projects by loan, grant, lease or otherwise, such as façade improvements, the DDA could finance projects suing revenue bonds or other obligations or authority, they could borrow money, apply for and receive government grants, loans, loan guarantees or other financial assistance, the DDA could receive and use city tax monies to employ an executive director for the downtown revitalization efforts, prepare plans for the downtown area or to hire others to prepare plans, and lastly, to exercise any power of public or private corporations under state law, which does not conflict with the authority's public purpose. Mr. Perkins shared that he and Mr. Trocquet would be the Town liaisons.

He shared a slide that indicated Tyrone's Town Center, the boundary in which the DDA would work from. Mr. Perkins informed Council that the Living Center Initiative (LCI) was the guiding document and that the Town was contracting a one-year project through POND & Co. He added that if formed, the DDA may have time to participate in the LCI, prior to the project completion.

Mr. Perkins proposed to Council that staff create an application and advertise for members. Council would then choose each member. There would be a total of seven members with staggered four-year terms. The qualifications consist of being a Tyrone resident or owning a business in Tyrone. If they are a business owner, they must be a County taxpayer. One member may be an elected official, and each member must attend State mandated training. Eight hours of training was required for the first year of appointment, and elected officials were exempt.

Mr. Perkins shared that most DDA's had members with construction and real estate backgrounds. A Council Member may also serve. He shared that the process could be very easy or difficult. The application could consist of a cover letter stating what the Town was looking for, and a list of conditions.

A list of applicants could be sent to Council, they would choose who to interview, then a choice would be made.

Mayor Dial shared that the selection sounded similar to the Planning Commission selection. They would be interviewed and appointed during a Council meeting. He inquired about the DDA being able to buy and sell property. How could they without any credit? Mr. Davenport stated that the Town could back the DDA with its credit rate to get it off the ground. They could then acquire credit of their own.

Mayor Dial asked how does Council have any power over what the DDA buys and sells? Mr. Davenport shared the DDA would be its own entity, with no oversight from Council. Council would set the tone. Council Member Hill asked if the DDA would need to come to Council prior to purchasing property. Mr. Davenport stated, no. Mr. Perkins shared that the DDA would have Council appointed members and a guiding document along with a master plan for the Town Center District. Mayor Dial stated that it would be unlikely that there would be a rogue group, but that Council had the ability to appoint and remove members.

Mr. Perkins reiterated that the DDA would have a guiding document and certain properties would fall within that category. He gave the example of the firehouse. The LCI would be a template of what the market study and best practices reflect should be in that space. He informed Council that the DDA's purpose was not to buy commercial property and to sell it for profit. The earned monies could be redistributed through their budgeting process. The DDA could also host fundraisers such as car shows, festivals, or sell t-shirts. When established they could then buy and sell properties. He assured Council that through his research, he had not come across any rogue DDA's. He asked Mr. Trocquet his opinion. Mr. Trocquet shared that historically, a DDA serves the Town's vision at a high level. They are appointed by Council, and given direction through the Master Plan. They have the power to effect change with more tools. They have a different set of powers. He had not heard of a rogue DDA. Council has the power to reappoint members, and Council adopts the Comprehensive Plan.

Council Member Hill asked for an explanation regarding the staggered terms. Mr. Davenport explained that three members would initially have two-year terms, and four members would have four-year terms. The terms would then be staggered every two years.

Council Member Furr inquired about the DDA utilizing tax monies. Mr. Perkins explained that taxes may be acquired incrementally by the difference in property tax assessments. If your property was assessed at \$20,000 last year and increased to \$22,000 the next, that difference could be moved to the DDA.

Council Meeting – Social Distancing/YouTube Live
November 5, 2020 Workshop

The Town would still receive property tax funding, but the difference could go to the DDA. This funding could be used for purchasing or property façade improvements. Mr. Trocquet shared that there would need to be tax allocation districts before that could take place. Mr. Davenport echoed and stated that before anything of that nature were to take place, most importantly the Town would need to have a referendum for authorization to use those powers, which was according to state law. This would be a separate issue that would call for a tax allocation district (TAD). He gave the example of The Meridian apartment complex in Fayetteville, across from Truett's Luau. The property was set as a tax allocation district. The value of the dirt prior to building had a different value of the property than when the multi-million-dollar project was completed. Atlantic Station in Atlanta was the same type of development.

Council Member Furr asked that since the firehouse belonged to the Town, how would the DDA acquire it? Mr. Davenport stated that the Town could convey the property to the DDA. Council Member Furr stated that after the Town conveys the property to the DDA, what rights does the Town have regarding that property? Mr. Perkins explained that, currently, the Town would put the building out for bid, and the highest bidder would then own it outright. The owner could turn the building into something that no one liked, even though it would be zoned for that use. He used the example of Twisted Taco in Fayetteville. The building was a run-down hardware store. The DDA acquired a loan to redevelop it into a restaurant with rooftop dining. They sold the idea to Twisted Taco. Mr. Perkins shared the positives from the process. The building façade had improved, the city acquired tax funds, and it also brought more people downtown. Other businesses thrived through the process as well.

Council Member Furr stated that she had a problem with giving the property to the DDA. Mr. Davenport stated that the reason it was possible was that the DDA was essentially a government entity, not private. This would assist with their funding; this would help them get off the ground. Mayor Dial shared that if the Town did not convey the property to the DDA, the Town may end up with a flea market. Mayor Dial added that the DDA was an overlapping portion of the Town's government. Mr. Davenport reminded everyone that the DDA was a tax-exempt entity. Mr. Perkins added that currently, the property was not yielding any tax income. This would give the Town more control. He then gave the example of the former town hall. If the DDA owned the building, the back offices could be leased which could also fund the DDA. It sounds like we are giving away our control, when in fact, we are opening the door to economic development. We would have more control and increased tax revenue.

Mr. Perkins gave two other examples of the benefits of a DDA. The Travis House in Fayetteville was purchased and renovated, it was now leased by a law firm.

In Braselton, an old school was renovated, currently it is an antique store. He added that presently, the firehouse was getting a lot of attention because there were few properties downtown. This could be an asset in the right hands.

Mayor Dial inquired about monies from properties that the DDA refurbished and sold, would the money come back to the Town. Mr. Davenport stated no, you are a separate entity, besides, the DDA would need that seed money in order to thrive.

Council Member Hill asked that if the Town conveyed the firehouse to the DDA, it was made into a restaurant, then sold after a few years, would the Town have any say for what the building would then become. Mr. Davenport stated that if the DDA sold it, the monies would belong to them. Once the DDA sold the building, the use would be left to the new property owner.

Council Member Howard stated that the DDA would have the option to say no in regard to zoning and certain standards, whereas the Town would not have that option. Mr. Davenport clarified that the DDA would not have carte blanche over zoning, just the ability to focus on a certain class of purchasers, where the Town could not.

Council Member Hill inquired about the tax funds. Mr. Davenport stated that unless the Town set up a TAD, the funding would come from the improvement of the property. Mr. Perkins added that essentially, it is taking a property that was yielding no taxation, to an improved property that is bringing in a taxed income. Council Member Furr posed the question if the DDA sold a property with the intentions the property owner was going to house a restaurant and then changed their minds; would the Town have any control over that situation? Mr. Davenport stated that it would depend on how the sale was structured. If it were a lease, the DDA would have control.

Mr. Perkins informed Council of their next steps if they chose to move forward. An application would be created, positions would be advertised, the legal department would draft the legal documents, applications would be shared with Council so candidates could be interviewed and appointed. The appointments would take place at a future Council meeting. Staff would then work with the new DDA Board on training, by-laws, meeting schedules, etc. Mr. Perkins invited Council to research cities with DDA's and to look at their downtown areas before and after appointing a DDA. Consider the power a DDA could bring the Town regarding economic development and implementing the LCI. He added that the DDA could apply for grants that could assist downtown business owners by making façade improvements. The pros far outweigh the cons.

Council Member Furr shared that she was not used to giving away property.

Council Meeting – Social Distancing/YouTube Live
November 5, 2020 Workshop

Mayor Dial shared that his philosophy regarding the role of government was not to control assets or to develop downtown, our role is not to make money. Our goal is to make sure the Town is developed properly. Council Member Furr shared that she was apprehensive of developers creating something that the Town did not find appealing. Mayor Dial shared that if that were the case, we would not sell that piece of property. Mr. Perkins stated that if the property was downtown, the DDA would follow the Comp Plan and the LCI. He added that Council would set the tone and appoint the Board. Council also had the option of appointing a Council Member. He reminded Council that he and Mr. Trocquet would also be the staff liaisons.

Council Member Hill shared that she believed that it was a good idea. Mr. Trocquet reminded everyone that rezonings and normal protocol would still go through Council.

Mr. Perkins stated that if Council had no objections, he would bring them a draft of the cover letter and application and move forward.

Mayor Dial welcomed the public to ask any questions they may have. Council Member Elect, Billy Campbell shared his concern and gave the example of the Twisted Taco; if the Twisted Taco was sold, the DDA would no longer have any control of what goes in that space, only zoning requirements. Mr. Davenport shared that the zoning ordinance was used for that reason. Mr. Campbell asked, what if a business were to leave and the developer wanted to place living units on the property. Mayor Dial stated that development was still governed by the zoning ordinance and planning.

Mr. Perkins reiterated that the main purpose of a DDA is economic development which generally had a majority of commercial development.

Council Member Howard stated she thought of approximately seven downtown properties that would be a possibility for the DDA. Mr. Perkins stated that there was a lot of potential downtown. He added that the DDA would not start out with any funding, he suggested perhaps taking a small amount from the CARES Act fund to get them off the ground. Council Member Furr asked if the Board would get paid. Mr. Perkins shared that the larger cities pay their Board, but the Town would not be in that position.

Council Member Howard made a motion to adjourn. Motion was approved 3-0. The meeting adjourned at 6:24 pm.

By: _____
Eric Dial, Mayor

Attest: _____
Dee Baker, Town Clerk