

**MEETING MINUTES  
CUMBERLAND COMMUNITY IMPROVEMENT DISTRICT  
Thursday, May 25, 2017**

MEMBERS PRESENT

Tad Leithead  
John Shern  
Connie Engel  
Barry Teague  
Bob Voyles  
Mason Zimmerman

EXECUTIVE DIRECTOR

Malaika Rivers

LEGAL COUNSEL

Lynn Rainey

COBB CHAMBER OF COMMERCE

Melissa Crook  
Bryan Bebout  
Kyethea Clark  
Slade Gulledege  
Noelle Lloyd  
Roxanne Plummer  
Mike Winters

COBB COUNTY

Jim Wilgus  
Erica Parish  
Karyn Matthews

JACOBS

Lee Upkins  
Alex Chung

OTHERS PRESENT

Peter Hortman, Pond  
Chris Kingsbury, Moreland Altobelli  
Heidi Dasinger, Marietta Power  
Cody Zanni, Kimley-Horn  
Matt McDow, ARCADIS  
Phil Morrissey, The Good Group, LLC  
Ron Sifen, Vinings  
Ryan Mallory, Seven Oaks  
Brett McClung, Goldman & Company CPAs P.C.

The May meeting of the Cumberland Community Improvement District Board was called to order at 7:30 a.m. on Thursday, May 25, 2017 at the Cobb Chamber of Commerce, 240 Interstate North Parkway, Atlanta, Cobb County, Georgia, pursuant to legal notice. A quorum was present.

Chairman Leithead presided and welcomed special guests.

ITEMS FOR APPROVAL

1. Minutes: Ms. Engel made a motion to approve the April 27, 2017 Minutes of the CID Board. Mr. Teague seconded the motion which was unanimously approved.
2. Approval of Financial Statement: After making the Treasurer's Report, Mr. Teague made a motion to approve the April Financial Report (Exhibit A). Ms. Engel seconded the motion which was unanimously approved. Mr. Teague made a motion to approve the invoices and cash disbursements as presented (Exhibit B). Mr. Voyles seconded the motion which was unanimously approved.

EXECUTIVE DIRECTOR'S REPORT

A. Real Estate Activity

1. Development Pipeline: Ms. Rivers reviewed the Cumberland commercial and residential square footage, residential market and growth collaterals. There is approximately 21.8M existing square feet with another 5.2M advancing of commercial development coming through the pipeline with a total cost of \$2.28B. There is approximately 17.6M existing square feet with another 4.6M advancing of residential, totaling \$732M in residential. More than 8K residential units are currently zoned, bringing an estimated 16K new residents into the community.

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2. Investment & Sales Activity: Ms. Rivers review the Investment & Sales activity collateral. Through 3/17/17 the total value of permits in the CCID is \$31.5M. This makes up 24% of Cobb County's total commercial permit value of \$132,723,190. In 2016, \$626M in commercial properties sold in the Cumberland CID area. The average sales price was 148% above Tax Assessors value. Since 2013, nearly \$2.3B in commercial properties have sold in the CCID. In 2017, the average sales price has been 217% above Tax Assessor value.
- B. Tax Digest & Revenue Projections: Ms. Rivers reported that at next month's meeting a summary analysis will be provided on the 2017 tax digest and an overview of the parcels along with the Top Tax Payers in the district.
  1. Audit Report  
Brett McClung with Goldman & Company CPAs PC presented the audited financial statements for the year ending December 31, 2016. Mr. McClung issued a clean, unqualified opinion with no material weaknesses and no recommendations. The management letters were included and stated there were no disagreements and no issues during the completion of the audit. Mr. McClung stated the CCID's deposits are sufficiently collateralized in the pooled funds with Georgia Bankers Association. This was confirmed with a letter from the Georgia Bankers Association. Chairman Leithead asked Noelle Lloyd to summarize page 17 on the audited financial statements. (Documents attached)
- C. Cash Flow Model: Ms. Rivers reviewed the Baseline Cash Flow Model. This is based on the financials that have been approved to date. CCID staff is watching this and continuing to refine the numbers.
- D. CID Open Projects & Other Agency Open Projects: Ms. Rivers reviewed the CCID Open Work Program. The CCID has about \$237M worth of projects that are either under construction or in process, \$132M being under construction and \$149M in outside commitments with a \$38M funding gap. Ms. Rivers reviewed the Other Agency Projects Work Program with \$1B worth of improvements.

### BOARD MEETING RECESSED

CAUCUS OF ELECTORS: At the direction of Chairman Leithead, Legal Counsel Lynn Rainey called the Caucus of Electors to order at 8:00 a.m. All electors present had completed their registration to vote. Mr. Rainey reviewed the elections process and stated the purpose of the election is to elect board members for Post 1, Post 2, Post 4 & Post 5 for 3 year terms to the Cumberland CID Board. Mr. Shern made a motion to approve the proposed Rules of Caucus. Mr. Zimmerman seconded the motion which was unanimously passed.

Mr. Rainey asked if there were any nominations for Post 1. Chairman Leithead nominated Connie Engel for Post 1. Mr. Rainey asked if there were any other nominations for Post 1. A motion was duly made by Mr. Shern and seconded by Mr. Voyles to close the nominations. The motion was unanimously approved. A motion was duly made by Mr. Shern and seconded by Mr. Zimmerman to vote by voice, dispensing with the written ballot. The motion was unanimously approved. Ms. Engel was unanimously elected to Post 1.

Mr. Rainey asked if there were any nominations for Post 2. Mr. Voyles nominated Tad Leithead for Post 2. Mr. Rainey asked if there were any other nominations for Post 2. A motion was duly made by Mr. Shern and seconded by Ms. Engel to close the nominations. The motion was unanimously approved. A motion was duly made by Mr. Shern and seconded by Mr. Teague to vote by voice, dispensing with the written ballot. The motion was unanimously approved. Mr. Leithead was unanimously elected to Post 2.

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Mr. Rainey asked if there were any nominations for Post 4. Chairman Leithead nominated Bob Voyles for Post 4. Mr. Rainey asked if there were any other nominations for Post 4. A motion was duly made by Mr. Shern and seconded by Mr. Zimmerman to close the nominations. The motion was unanimously approved. A motion was duly made by Mr. Shern and seconded by Mr. Teague to vote by voice, dispensing with the written ballot. The motion was unanimously approved. Mr. Voyles was unanimously elected to Post 4.

Mr. Rainey asked if there were any nominations for Post 5. Mr. Shern nominated Mike Plant for Post 5. Mr. Rainey asked if there were any other nominations for Post 5. A motion was duly made by Chairman Leithead and seconded by Ms. Engel to close the nominations. The motion was unanimously approved. A motion was duly made by Mr. Shern and seconded by Mr. Voyles to vote by voice, dispensing with the written ballot. The motion was unanimously approved. Mr. Plant was unanimously elected to Post 5.

Legal Counsel Lynn Rainey administered the oath of office to the three newly elected board members who were present. Mr. Rainey will administer the oath of office to Mike Plant at the next Board meeting.

Chairman Leithead adjourned the caucus and the Board meeting was reconvened.

E. Key Updates

1. Cumberland Blvd Crib Wall Options: Ms. Rivers started the discussion by stating the CCID does not own the Cumberland Blvd crib wall, the County owns the crib wall. CCID staff has not formally presented nor asked the County's opinion at this point; only seeking initial feedback from the Board at this time. The CCID maintains landscaping for many miles of ROWs through Russell Landscaping. Russell Landscaping has discovered that many of the river birches along Cumberland Boulevard are dead or dying. They have inspected the front and back end of the crib wall and discovered trees growing through the crib wall. As arborists, the recommendation is to cut back the trees or pull the stumps out because at some point the trees will die and fall. Before this takes place though, there would need to be some geotechnical engineering to determine the integrity of the wall. CCID staff has pulled together some costs estimates, including engaging a geotechnical engineer (\$20K), cut the river birches flush (\$20K) or plant a new landscape material (~\$60K). Staff has also explored putting street lights along Cumberland Boulevard. Ms. Rivers recommended a geotechnical engineer to give some advice on what the reality of the situation is at this point. The situation must be understood in order not to damage the crib wall. Board members discussed the different options. Mr. Rainey discussed responsibility and liability. The first step is to clarify who is responsible for what. Chairman Leithead stated the CCID has no obligation to do anything, but the CCID has the option with the permission of the County. Mr. Rainey went on to state the County has not acknowledged that it owns the wall. Chairman Leithead understands that GDOT built the wall and when it was done it was conveyed to the County. CCID staff has not received confirmation on who owns the wall at this point. Chris Kingsbury, Moreland Altobelli, gave Board members a brief history of the wall came about and the MOU associated with it. The MOU did allow GDOT to let the construction contract. The crib wall was a design feature that the National Park Service insisted on for noise and visual pollution. At one time, it was irrigated and the County said at that time they would look at the budget annually for irrigation. The County understood it was an annual maintenance cost. The crib wall is sitting on top of a retaining wall. The crib wall is in County ROW. Board members would like to delay and gather information on who owns the land and instruct Russell to refresh its proposal. Chairman Leithead instructed CCID staff to find out who owns the crib wall, find out how much the geotechnical engineering will cost, find out from Russell Landscaping what they will charge on a variety of options which includes cutting that tree on the back of the crib wall, and share the information with the County.

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2. Cumberland Bridgescape Lighting & Signage Options: Ms. Rivers stated the Cumberland Blvd Bridgescape has been advancing for a while now and construction will be completed by the end of August. During the course of this multi-year project, the CCID Board asked CCID staff to come up with some idea of signing the bridge during construction or after its completion. CCID staff has revived this idea and have priced it. The sign would be affixed to the bridge to brand it as Cobb and/or Cumberland. There are two pricing options to sign the bridge: 1) a not lit sign would cost \$13K to fabricate and install or 2) a backlit sign would cost \$16K. Ms. Rivers reminded the Board that the CCID saved \$200K by not painting the bridge. Board members discussed the size and placement of the sign. Ms. Rivers stated the purpose of the sign was to add to the gateway of the Cumberland area. Board members would like to have some gateway signage, but now there is some concern about the visual impact of a sign. Board members Shern would like to have a line of sight study completed. Board members transitioned the conversation to lighting the bridge. Board members were all in agreement that lighting the bridge is critical and has a great return on investment. The question then was raised “who will pay to maintain the lights on the bridge?” Ms. Rivers’ stated CCID staff will go back to determine more information again – still waiting for the cost of what the lighting will be and get a better technical understanding of it as well as ask the question of operating and maintenance costs. As for the signage, a sightline study could be done and would pull money out of the existing budget of the \$200K that remains or make an additional commitment. Board members would like to know how much lighting on the bridge will cost and is interested in signage if it can be made large enough to be seen. There will be more answers given at the next Board meeting.

### F. Operations

1. Capital Improvements Update: Kyethea Clark, Director of Operations, gave updates on: Windy Hill DDI, US 41 Cobb Parkway Enhancement, Cumberland Boulevard Bridgescape, Interstate North Parkway Ped Improvements, Bob Callan Trunk Trail Ph. II Segment A, Windy Ridge Bridge and I-285 Pedestrian Bridge.
2. Plans & Studies Update
  - a. Blueprint Cumberland 3.0 Update: Ms. Clark stated Blueprint Cumberland 3.0 Board interviews will take place in June. The consultants continue to work on the analysis.
  - b. Paces Mill Palisades CNR Facility Rehab project: Ms. Clark reported the RFQ closed in April and interviews will take place next week with the short listed firms.
  - c. Bike Share Implementation Plan: Ms. Clark stated CCID staff will now be releasing a RFQ in June.

Board member Voyles reported on a meeting he had with GDOT, Kyethea Clark and Barry Teague to discuss the clean-up the I-75 interchange. After the clean-up there has been a verbal commitment from GDOT to come back to the area and meet with the group to reassess. GDOT now has cash for the maintenance program because of HB170. GDOT will pay for this clean-up initiative.

- G. Communications & Outreach Activities: Noelle Lloyd, Communications & Outreach Manager, reported staff is working on a CCID trail map and trial video highlighting the current trail system, amenities, landmarks, etc.

Ms. Lloyd went on to give updates on upcoming activities:

- a. The Windy Hill ribbon cutting will be on June 13<sup>th</sup> with Lt. Gov. Cagle and the location is to be determined.
- b. The next Coffee and Construction will be on June 26.

OTHER BUSINESS

**The CCID Board Meeting transitioned to the hardscape enhancements assessment and discussion portion which remained open to the public.**

- Hardscape Enhancements Assessment & Discussion: Ms. Rivers stated the purpose of this discussion is to provide the CCID Board with a better understanding of what exists in terms of hardscape enhancements in the community and the cost to maintain it as well as expand it. Over the past decade, the CCID has been making aesthetic enhancements around the community mostly as part of its capital improvements program. Many of the enhancements are starting to age out and fail, so it has begged the question over the past few months as to whose responsibility it is to maintain these enhancements. CCID staff over the past few months have delved deep into understanding the current conditions of the hardscape enhancements and hired ARCADIS to help with this assessment. Ms. Rivers passed out to Board members an assessment of the current condition of the treatments, the cost to replace damaged treatments, as well as a projection to add additional treatments along the district's highest priority corridors. Ms. Rivers went on to give Board members an understanding of how the information was collected and analyzed: CCID staff looked at all the roadways, all corridors inside the district and assigned weights to those corridors in order to categorize them as high, medium or low priority. The factors used to do that include functional classification, traffic counts, areas of interest, general land use, transit routes, and walk zones. It was noted that roadways in exclusively residential neighborhoods were not included in this exercise. CCID staff also looked at treatment types which included ped and street lighting, decorative mast arms, crosswalks, corner plazas, medians, street furnishings, retaining walls, and fencing. Based on those 8 treatment types, CCID staff looked at their respective conditions and rated them good/fair/poor. An annual replacement cost was generated to replace treatments in "poor" condition. This figure also provided a general idea of annual replacement costs assuming the same annual failure rate. The analysis follows:
  1. Annual Replacement Costs (estimated at \$407,700): Given the good/fair/poor conditions, the estimated total cost to replace all of the existing treatments are in "poor" condition (thereby bringing them to "good" condition) is \$407,700. Assuming the same failure rate, this figure also becomes the annual replacement cost.
  2. Expanded Coverage Cost (estimated at \$10.5M): Should the CCID/County choose to expand the total amount of enhancements in the district by adding/upgrading decorative treatments along the highest priority roadways, the total estimated cost is in excess of \$10.3M and would add an estimated \$217,000 in annual replacement costs.

Ms. Rivers reviewed the CCID Corridor Priority maps which supplemented the summary analysis and completed her presentation. Discussion then ensued on hardscape enhancements and the CCID's and County's potential roles and responsibilities as well as partnership opportunities.

Chairman Leithead began by asking the Board to take some time to review the documents that were handed out. He reminded the Board of the County's last position in that the County stated it does not have the money to replace the hardscape improvements and unless the CCID is willing to take it on then the County will rip it out and replace the materials with the County standard. Minimally, the CCID would have a \$1M a year in maintenance costs (considering both hardscape and landscape up-keep services) with a capital cost facing the CCID at \$10.5M which would add another \$200,000 to this thereby increasing the CCID's general annual maintenance cost to \$1.2M.

Board member Voyles stated the CCID in partnership with the County is making investments in the community to make the sub market better. It seems unequitable for the CCID to bear 100% of the hardscape

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maintenance. Chairman Leithead stated that at last month's meeting, Commissioner Ott reiterated the other County commissioners are asking for funding in different parts of the County and a maintenance agreement is difficult to explain to the other commissioners and the rest of the County as to why it costs more to maintain improvements in the Cumberland area. Ms. Rivers noted through Blueprint Cumberland 3.0 exercise, the CCID will be generating a fiscal impact analysis number which will update the figure indicating the amount that the CCID is a fiscal donor to the County. The report will be ready in 30 to 60 days. Mr. Voyles stated there must be a partnership and a meeting needs to be held with Chairman Boyce and all commissioners to show the value of the CCID. Chairman Leithead mentioned the CCID can prioritize the categories to help bring the number down.

Mr. Zimmerman asked what is the framework in which the CCID needs to operate not to risk going into the red? Ms. Rivers stated the current baseline model does not include any reaction. In 2018 and 2019, the CCID could have 2 negative years and the CCID has a financial instrument in place in case this happens. Hardscape replacement and new priority areas have not been built into the budget. Mr. Zimmerman would like to see the impact in the budget before moving forward.

Mr. Shern stated he has no interest in the CCID paying to maintain the area. It must be a partnership with the County and CCID. What is the right vehicle in getting the area maintained the most efficient way? Board member Teague asked Board members to think about painting the crosswalks white and eliminating the red brick. Chairman Leithead asked Board members to prioritize and be ready to discuss at next month's Board meeting. This is not something the CCID should or can take on all by itself, but the CCID should contribute because of its constituents. It must be put at a level of where it is a good use of the CCID's funds and then do a financial analysis. Chairman Leithead went on to ask what if the CCID goes into partnership with the County and then goes out of business. Mr. Rainey stated the CCID would not have any further obligation. If an agreement was reached with the County then it would terminate by its own terms what would happen if the CCID dissolves.

After Board discussion, the Board action items before next Board meeting were stated:

1. Board members to have a meeting with the County and workout a possible partnership arrangement.
2. Board members to study the handouts and be ready to discuss at the next Board meeting. Begin to prioritize items.
3. CCID staff to perform a financial analysis.
4. Search for money from possible partners to help fund this issue. The CCID is unable to move forward on hardscape projects until funding is in place.

The next regular board meeting is scheduled for the same location on June 29, 2017 at 7:30 a.m. There being no further business, the meeting was adjourned at 10:07 a.m.

Approved by the Board this \_\_\_\_\_ day of

\_\_\_\_\_, 2017

\_\_\_\_\_ Secretary