

City Council of Peachtree City
Minutes of Meeting
April 2, 1998
7:00 p.m.

The City Council of Peachtree City met in a regular session Thursday, April 2, 1998, at 7:00 p.m. in the City Hall Council Chambers.

Mayor Lenox led those attending in the pledge of allegiance. Other council members present were: Carol Fritz, Annie McMenamin, Robert Brooks, and Jim Pace.

ANNOUNCEMENTS, AWARDS, SPECIAL RECOGNITION

Mayor Lenox announced the City Council Retreat to be held April 3 & 4 at the Wyndham Peachtree Conference Center.

Mayor Lenox read a proclamation for International Building Safety Week - 1998.

The organization "Keep Fayette Beautiful" presented an award of recognition to Cam McNair.

APPROVAL OF MINUTES

McMenamin made a motion to approve the minutes of March 19, 1998 as presented. Pace seconded the motion. Motion carried unanimously.

OLD AGENDA ITEMS

There were no old agenda items.

NEW AGENDA ITEMS

04-98-1 Consider Alcohol License - Alyce's Amoco

Mayor Lenox explained that Mr. and Mrs. Larry J. Graham, of Alyce Graham, Inc., had applied for a license to sell beer and wine at Alyce's Amoco to be located at 2597 GA Highway 54 West. He said Mrs. Alyce Graham had requested to be appointed as both the licensee and license representative and that favorable background investigations had been conducted on Mr. and Mrs. Graham.

McMenamin made a motion to grant the license and appoint Alyce Graham as the licensee and license representative. Pace seconded the motion. Motion carried unanimously.

04-98-2 Consider Alcohol License - China Cafe 9

Mayor Lenox explained Mr. Jie- Feng Wang had applied for a license to sell alcoholic beverages at the China Cafe 9, which would be located at 1019 Peachtree Parkway North at the Kedron Village Shopping Center. Mr. Wang had requested to be appointed as both the licensee and license representative. He said Mr. Wang recently moved to Georgia from New York, and the criminal background report had not yet been received from New York. Through an interpreter, Mr. Chung, McMenamin asked if Mr. Wang understood the alcohol ordinance. Mr. Chung responded that he did. Mr. Chung said he would be assisting Mr. Wang with his business and would help train employees so they understand the ordinance as well.

Brooks made a motion to grant the license and appoint Mr. Wang as the licensee and license representative contingent upon receiving a favorable background investigation report from New York. Pace seconded the motion. Motion carried unanimously.

04-98-3 Consider Tower Lease Agreement

Chief Murray recommended Council approve a contract with Powertel/Atlanta to allow them to place an antenna on the City's tower. He said the contract was for five 5-year periods which would be renewable every five years with an increase of 2% per year beginning with the sixth year of the lease. He said the contract would generate \$150,000 during the first five years with a total of \$893,498 over the life of the entire contract.

Murray said it would be the third lease for the tower and that total projected revenue from the tower over the next 25 years would be approximately \$1,679,668.

Pace made a motion to authorize the mayor to sign the contract with Powertel/Atlanta as presented. McMenamin seconded the motion. Motion carried unanimously.

Pace instructed staff to study the feasibility of constructing additional towers in the City to generate revenue and regulate their locations.

04-98-4 Consider Contract - Fourth of July Fireworks

Joe Morton, Assistant City Manager, said the City had received a proposal from Melrose Pyrotechnics, Inc. for a special three year program to reserve the City's fireworks program through the year 2000. He said by committing to this contract the City would earn 10% of the budgeted amount in additional shells for the third show in 2000 which would be used to enhance the quality of the shells and not increase the length of the program. The Fireworks committee met and approved the proposal and included an addendum for Council's consideration.

McMenamin made a motion to approve the agreement and addendum as presented by staff. Fritz seconded the motion. Motion carried unanimously.

Pace asked staff to look into the possibility of providing fireworks for New Year's Eve to bring in the year 2000.

04-98-5 Consider Impact Fees for Leach Station and Sumner Road Projects

Julian Campbell, member of the Planning Commission and spokesman for the Impact Fee Committee addressed Council and explained the recommendation of the committee to amend the Impact Fee Ordinance to allocate some of the costs of the Leach Station and Sumner Road projects. The committee recommended increasing the impact fee by \$323 in the Line Creek Service Area for the Leach Station project. They also recommended that a new service area be created and designated as the Northeast Kedron Area with the same impact fee as the Kedron Service area, with an additional \$424 to be designated for the Sumner Road project.

Brooks made a motion to approve the committee recommendations as presented. Pace seconded the motion. Motion carried unanimously.

04-98-6 Consider Price Proposals for Architectural Design for Leach Station

Jim Basinger, City Manager, said proposals were solicited from a number of architectural and engineering firms for design services on the project to build a new Leach Fire Station and to perform site work for a new Fire Training Center. He said six proposals were received and while all competitors were excellent design firms, and well qualified to handle the project, the best value proposal was submitted by Cobb and Associates at \$39,500.00.

Basinger said Cobb and Associates was a Peachtree City company that has done a lot of work for the City in the past and staff was comfortable that the City would receive superb service on this project at a very reasonable price.

McMenamin made a motion to award the design contract for Leach Station to Cobb and Associates Architects, Inc., for \$39,500.00. Pace seconded the motion. Motion carried unanimously.

05-98-7 Consider Sierra Drive Reconstruction

Mayor Lenox said the item to be considered involved an expenditure of \$50,000 by the City for the purpose of paying part of the total cost for acquiring the right of way and constructing to

City standards, a public street to serve two major industries in the industrial park. One industry was GS Roofing, a long-time corporate citizen and the other was AT Plastics, a new industry who recently made their decision to locate in Peachtree City.

Lenox said there were two issues surrounding the decision. Was it an appropriate decision? And, did he handle the process correctly? To the question, "Did he handle the process correctly?", Lenox's answer was a "resounding no". He felt he was the City's point person for industrial recruiting and early on he generally interacted in varying degrees with prospects who consider locating facilities in Peachtree City. He said it was not uncommon for such companies to seek financial inducements from the City, County, and State for locating in Peachtree City. He felt it was his job to negotiate around the requests, and present the facts to Council for a public decision. He said of the nine industries that located to Peachtree City last year, two of them required incentives - Cooper Lighting and AT Plastics. Lenox admitted he was wrong in the way he handled the negotiations with AT Plastics. He said he verbally committed the City to pay \$50,00 toward the acquisition and improvement of Sierra Drive and neither advised nor sought approval from Council. He felt his decision was correct and had no intention to withhold information from Council or the public. He said his only excuse was that he forgot about it. He said he had already apologized to each member of Council and would also like to apologize to the citizens of Peachtree City. He also wanted to apologize to AT Plastics because his mistake may have affected the public's perception of them, and they had done nothing wrong. He said he deeply regretted that he did not deliver the kind of performance the citizens had every right to expect of him.

Lenox explained the following facts of the situation pertaining to the \$50,000 commitment:

1. AT Plastics was a Canadian company and their facility was intended to mix custom plastic resins for U.S. manufacturers of plastic products.
2. AT Plastics was investing approximately \$18 Million dollars in their facility and would pay annual ad valorem taxes of \$260,00 per year.
3. Despite the magnitude of their investment, they would only require about 25 employees.
4. Most of their raw material and finished product would come and go by rail.
5. The acquisition and improvement of Sierra Drive eliminated a curb cut on Highway 74 by AT and provided GS roofing with public street access.

Lenox explained that the acquisition and improvement of Sierra Drive was a \$200,000 projection. GS Roofing and PCDC agreed to provide all the right-of-way and PCDC agreed to

— pay \$100,000 of the cost. Lenox explained that AT Plastics made it clear they would not relocate to Peachtree City without a commitment from Fayette County and Peachtree City to provide the additional \$100,000 to provide them access to a public street. Lenox said over the next 20 years, that a \$100,000 investment would return over \$5,000,000 to the taxpayers of Fayette County and Peachtree City.

George Cadel, citizen, said he was concerned that the public did not have all the information about the issue. He asked if the road improvements would enhance the value of additional property not yet developed in the area. Lenox said there was no other property that could access Serria Drive. Cadel said he understood there actually was some property that could be developed. Lenox replied that earlier that week he had inspected plats relative to the development and there was no additional property that could be developed. Cadel asked the Mayor to verify that once AT Plastics was developed, PCDC would have no interest in any sale of property in and around the area. Lenox said that was correct. Pace said there may be property on Cooper Road that was adjacent to the area. Cadel asked if anyone would benefit from the fact that Sierra Drive would be improved in addition to what was specifically explained that night. Lenox said no, PCDC nor the City would derive any further benefit from it. He said he was not expecting any additional industrial development to access Sierra Drive and there was no property he was aware of that would even have access to the road because it was landlocked by GS Roofing, AT Plastics, and the railroad.

McMenamin said there was no way to really know PCDC's plans for available lots near the Cooper property and she felt they could extend a collector road to Sierra Drive. Lenox said that would be impossible unless they bought property from AT Plastics.

McMenamin said she was deeply offended by Mayor Lenox's \$50,000 commitment without Council's knowledge, input or approval. She felt Peachtree City was the finest of communities which was in itself enough of an incentive for anyone to want to relocate to Peachtree City. She said Peachtree City had the finest of industries located within its city limits who pay their taxes just as AT Plastics would. She said because she was not privy to the initial request, she assumed that AT Plastics agreed to purchase the property if the developer would improve Sierra Drive.

— McMenamin said the developer, PCDC, had stated they felt they had sold AT Plastics' property for less profit than they had come to expect from like property in the City. She felt the \$50,000 commitment was in reality giving PCDC an alternative source of funds so that they may realize a more acceptable profit. She felt strongly that the real issue was not about industry incentives but about taxpayers subsidizing the developer's loss of profit on their land sale and she questioned whether Council would be setting a precedent to ensure a developer's standard of profit. She felt Council was in a situation where they were being asked to circumvent

something that she believed was illegal, inappropriate and unethical in order to provide greater profit for the developer.

McMenamin also stated that Fayette County committed to spend \$50,000 on the project, and she felt it was wrong for Peachtree City taxpayer's dollars to be spent twice through County and City taxes just to offset a loss of profits for PCDC. She felt there were many things wrong this issue including: the commitment, the maneuvering of the deed of the property, taking \$50,000 from an already lean contingency fund, and the double burden on Peachtree City taxpayers. She said it did not matter if the \$50,000 was paid before or after the road was paved, because in her opinion it was still subsidizing the developer and that it was wrong.

McMenamin said she wanted to welcome AT Plastics to the community and make it perfectly clear in her opinion the issue was an accommodation to allow the developer to realize a greater profit and not an incentive to the industry.

Mildred Harris, citizen, did not understand why the City would need to entice industry when so many industries want to locate to Peachtree City. She said the road had been there 20 years and that the matter should be between the industry and developer. She accepted Mayor Lenox's apology, but felt Council should not support the issue just to allow the Mayor to redeem himself for making a commitment he should not have made.

James Steinbach, citizen, felt a policy should be set in place to protect the council members from being caught up in these type of issues. He said according to Mr. Godfrey's newsletter, industries want to come to Peachtree City and Steinbach felt the taxpayers should be getting the incentives instead of paying for them.

Ray Tole, 101 Cloister Drive, applauded the Mayor for being forthright and asked if the City kept a list of all industrial inducements requested and approved? He felt it was wrong for non-public and non-voted decisions to be made to induce industry.

Brooks said no list of inducements existed. He said during the time he had been on Council no inducements had been given with the exception of Cooper Lighting. He said in the 1980's the Development Authority offered incentives through tax advantages offered by the federal government. Brooks said Coweta County had expressed they were willing to purchase land and give it to industry as an incentive and that other governments were also doing some significant things to entice industry into relocating to their communities. Brooks felt Mr. Tole's suggestion to list all industrial inducements was a good idea and suggested the list be included as an addendum to the budget.

Brooks felt it was an awkward time to discuss the incentive after the Mayor had already made the verbal commitment, but accepted the Mayor's apology. Brooks said there was no reason for Peachtree City to participate in every industry incentive but, they should evaluate each issue as it was presented. He said it was important to expand the industrial park to keep homeowner taxes under control and to support the current infrastructure. Brooks said he would have supported the issue nine months ago if he had been asked because AT Plastics would only have 25 - 30 employees, most of which would not live in Peachtree City, and would not impact the school system, but they would be providing a significant amount of tax money for the schools. He said AT Plastics would not be impacting traffic on Highway 74 because they ship their products by rail. Brooks said the amount of taxes AT Plastics would pay in the first four months would equal the \$50,000 amount the City was being asked to pay to improve their road.

Jim Pace accepted Lenox's apology and agreed with Lenox and Brooks. He felt the return of \$5 million in taxes for a \$50,000 investment was a wise decision. He believed everyone would be excited and have a different attitude if it was discussed nine months ago. Pace wanted to welcome AT Plastics as a new neighbor and did not want them to think all of the negative publicity was their fault. Pace said Peachtree City and the County had an excellent professional team of economic developers who had done a tremendous job of increasing the tax base. He said the tax benefit realized would go into the citizens' pockets not the developers. Pace reminded everyone that the City was competing with a number of communities across the country who were aggressively attempting to induce industry.

Carol Fritz, also accepted the Mayor's apology, but had a problem with the fact that the City was asked to provide industrial incentives. She felt the Development Authority should be enticing and providing incentives for economic development. She also did not feel it was right to ask Peachtree City residents to pay twice through city and county taxes. She applauded the Development Authority for bringing such a quality company into our community, but felt it should have been handled differently.

Walt Mashburn, 505 Golfview Drive, said the City needed industry and he felt an investment of \$50K with a return of \$5M was a real good deal.

Brooks added that he felt the millage rate would increase without additional industries such as AT Plastics.

Pace suggested the City create a policy to deal with these type issues in the future. Lenox said he would add it to the Retreat agenda to discuss the next day but that the issue would not come up again because he would never make the same mistake again. He said it had been pointed out that the decision would have been entirely different if it was discussed nine months ago. He said all nine industries that relocated to Peachtree City last year all wanted something, and the

most ridiculous request was from the FAA in which they demanded the City purchase land and give it to them. He said he did not bring that request to Council for consideration; he just said no. He said those type requests were not uncommon.

Jim Webb, City Attorney, said the City did have a provision in the ordinance to pave roads so he felt it would be perfectly legal to improve the road. He said while his office had never been asked to research industrial incentives, he believed very little could be done by municipalities in the State of Georgia to entice industry to relocate. Lenox said many communities were doing various things to entice industry and offer incentives and those communities were Peachtree City's competition. Webb agreed, but said in his opinion those communities were circumventing the law.

Brooks felt if Council members had received copies of the minutes of the Fayette County Development Authority meetings they would have been aware of the agreement.

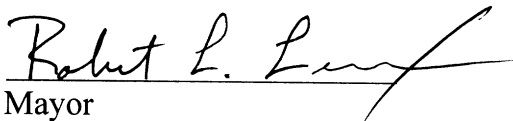
Brooks made a motion to authorize the expenditure of \$50,000 from the Council contingency fund for the enhancement of Sierra Drive reconstruction with the following conditions: the road is dedicated to the City, industrial incentives be added to the agenda as a discussion item at Retreat, and a policy be established that Council obtain copies of the minutes of the Fayette County Development Authority meetings. Pace seconded the motion. Motion carried with Fritz and McMenamin voting Nay.

Lenox made a motion to adjourn the meeting to Executive Session to discuss a legal matter. McMenamin seconded the motion. Motion carried unanimously.

Executive Session

No action was taken in executive session. Pace made a motion to adjourn the meeting. Brooks seconded the motion. The meeting adjourned at 9:15 p.m.


Nancy Faulkner, City Clerk

Attest: 
Mayor