



City of Fairburn
56 Malone Street
Fairburn, GA 30213
November 25th, 2019 @ 6:00 p.m.

WORKSHOP AGENDA

- | | | |
|-------|--|---|
| I. | Meeting Called to Order | The Honorable Elizabeth Carr-Hurst, Mayor |
| II. | Roll Call | Arika Birdsong-Miller, City Clerk |
| III. | Presentations | None |
| IV. | Discussions | Councilmembers |
| V. | Review of Agenda Items for Council Session | Councilmembers |
| VIII. | Adjournment | Councilmembers |



City Hall
56 Malone Street
Fairburn, GA 30213
November 25th, 2019 @ 7:00 PM

Regular Agenda

The Honorable Mayor Elizabeth Carr-Hurst, Presiding

The Honorable Mayor Pro-Tem Linda J. Davis
The Honorable Pat Pallend
The Honorable Ulysses J. Smallwood

The Honorable Alex Heath
The Honorable Hattie Portis-Jones
The Honorable James Whitmore

Mr. Randy Turner

City Attorney

I. Meeting Called to Order:

The Honorable Mayor Carr-Hurst

II. Roll Call:

Arika Birdsong-Miller
City Clerk

III. Invocation:

Bishop Aaron B. Lackey, Sr.
Temple of Prayer UCOGIC

IV. Pledge of Allegiance:

In Unison

V. Presentation:

None

VI. Public Comments: Thirty (30) minutes shall be available for public comments. Each speaker shall be limited to three (3) minutes; however, a speaker may transfer his or her three (3) minutes to another speaker, but no speaker shall be permitted to speak for more than (6) minutes; further in the event, if more than ten (10) speakers desire to speak, each speaker shall be limited to two (2) minutes and no speaker may speak more than four (4) minutes. Issues raised at this time are generally referred to the City Administrator for review. Responses will be provided at a later date.

VII. Adoption of the Council Agenda:

Councilmembers

VIII. Adoption of Consent Agenda Items:

Councilmembers

IX. Adoption of City Council Minutes:
(October 28th, 2019 Regular Meeting Minutes)

Councilmembers

X. Public Hearing:

None

XI. Agenda Items:

1. **City Attorney** Mr. Randy Turner
For Mayor and Council to discuss and approve the comprehensive revision of the Code of Ethics, Section 2-35 of the City Code of Ordinances.
2. **City Clerk** Mrs. Arika Birdsong-Miller
For Mayor and Council to accept the official certified results of the General Municipal Elections that was held on November 5th,2019.
3. **Property Management** Mr. Harvey Stokes
For Mayor and Council to approve the attached lease agreement between the City of Fairburn and Casablanca at 7 East Broad Street, Fairburn, GA 30213.
4. **Property Management** Mr. Harvey Stokes
For Mayor and Council to approve the attached lease agreement between the City of Fairburn and Brenau University at 314 NW Broad Street, Fairburn, GA 30213.
5. **Engineering/Community Development** Mr. Lester Thompson
For Mayor and Council to approve condemnation of Parcel 9 & 10 (Herman Investments & Holdings, LLC) on the Howell Extension Project.
6. **Planning and Zoning** Ms. Tarika Peeks
For Mayor and Council to approve Text Amendment 20TA-001, Chapter 8- Alcoholic Beverages, Article VIII-Microbreweries and Brew Pub Ordinance
7. **Planning and Zoning** Ms. Tarika Peeks
For Mayor and Council to approve Text Amendment 20TA-002, Chapter 8- Alcoholic Beverages, Article II- Licensing Ordinance
8. **Planning and Zoning** Ms. Tarika Peeks
For Mayor and Council to adopt amendments to the fee schedule.
9. **Fire Department** Chief Cornelius Robinson
For Mayor and Council to approve the sole source purchase of Hurst Jaws of Life Extrication Tools included in the Fire Department FY19-20 budget.
10. **Fire Department** Chief Cornelius Robinson
For Mayor and Council to approve the sole source purchase of 7 Self-Contained Breathing Apparatus (SCBAs). 11 Snap-change cylinders and 4 face masks included in the Fire Department's FY 19-20 budget.

XII. Council Comments

Councilmembers

XIII. Executive Session

Mayor Elizabeth Carr-Hurst

XIV. Adjournment

Councilmembers

*When an Executive Session is required, one will be called for the following issues:
(1) Personnel (2) Real Estate or (3) Litigation.



City of Fairburn
Mayor and Council Meeting Minutes
October 28, 2019
7:00 pm @ City Hall

- I. The meeting was called to order at 7:00 pm by the Honorable Mayor Carr-Hurst.
- II. Roll Call was taken by City Clerk, Arika Birdsong-Miller with the following members present:

Mayor Elizabeth Carr-Hurst

| | |
|--|-----------------------------------|
| The Honorable Mayor Pro-Tem Linda J. Davis | The Honorable Alex Heath |
| The Honorable Pat Pallend | The Honorable Hattie Portis-Jones |
| The Honorable Ulysses J. Smallwood | The Honorable James Whitmore |

The attendance of Council constituted a quorum and the meeting proceeded.

- III. The invocation was rendered by Ms. Brook Bridges. Ms. Bridges is a Senior at Landmark Christian School.
- IV. The Pledge of Allegiance was recited in unison.
- V. Presentation: There was no presentation.
- VI. Public Comments: There was no public comment.
- VII. Adoption of the Council Agenda. Motion to approve the Council Agenda was made by Councilman Pallend and the second was provided by Councilman Whitmore. Vote: 6-0: Motion Carried.
- VIII. Adoption of Consent Agenda Items: Agenda Item #4 was moved to the Consent Agenda. Motion to approve the Consent Agenda items was made by Councilman Pallend and the second was provided by Councilman Whitmore. Vote (6-0) Motion Carried.

The Consent Agenda item was:

1. Parks and Recreation

Ms. Chapin Payne

For Mayor and Council to review and approve the rental agreement with Fairburn United Methodist Church for use of the gymnasium located at 5 Washington Street for Fairburn's youth basketball practice in the amount of \$1,500 dollars effective November 18, 2019 through February 21, 2020.

- IX. Adoption of City Council Meeting and Executive Session Minutes from October 14, 2019 were presented and approved. Motion to approve the Council Meeting Minutes was made by Councilman Heath and the second was provided by Mayor Pro-Tem Davis.

Vote: 6-0: Motion Carried.

Motion to approve the Executive Session Minutes was made by Councilman Whitmore and the second was provided by Mayor Pro-Tem Davis. Vote: 6-0: Motion Carried.

X. Public Hearing:

Planning and Zoning

Amendments to the Zoning Ordinance Chapter 80, Articles I, II, IV, VI, VII, VIII, X, XI, and XIII. For Mayor and City Council to approve amendments to the City of Fairburn's Zoning Ordinance. The Ordinance will amend various sections of the Fairburn Zoning Ordinance; provide for severability; to repeal conflicting ordinances; to provide an effective date and for other purposes. Motion to approve the Amendments to the Zoning Ordinance Chapter 80, Articles I, II, IV, VI, VII, VIII, X, XI, and XIII was made by Councilman Smallwood and the second was provided by Councilman Heath. Vote: 6-0: Motion Carried

Amendments and Adoption of the City of Fairburn's Official Zoning Map. For Mayor and City Council to adopt the Official Zoning Map. Motion to approve the Amendments and Adoption of the City of Fairburn's Official Zoning Map was made by Councilman Whitmore and the second was provided by Councilman Smallwood. Vote: 6-0: Motion Carried.

XI. Agenda Items:

1. Engineering

Mr. Lester Thompson

For Mayor and Council to approve the adoption of the Resolution of Commitment to Conduct a Study for the Downtown Pedestrian Overpass (Broad Street/CSX Railroad). Mr. Thompson notified Mayor and Council that if awarded the grant, a funding commitment of up to \$30,000 would be required. The purpose of the study is to determine possible overpass locations which would be most beneficial to the citizens of Fairburn. Motion to approve and adopt the Resolution of Commitment to Conduct a Study for the Downtown Pedestrian Overpass (Broad Street/CSX Railroad) was made by Councilman Pallend and the second was provided by Mayor Pro-Tem Davis. Vote: 6-0: Motion Carried.

2. Engineering

Mr. Lester Thompson

For Mayor and Council to approve the adoption of the Resolution of Commitment to Implement a Georgia Transportation Infrastructure Bank (GTIB) Pedestrian Bridge Project. Mr. Thompson indicated that if awarded the grant, a funding commitment of \$248,000 would be required, which includes both right-of-way and construction contingencies. Motion to approve the Resolution of Commitment to Implement a Georgia Transportation Infrastructure Bank (GTIB) Pedestrian Bridge Project was made by Councilman Smallwood and the second was provided by Mayor Pro-Tem Davis. Vote: 6-0: Motion Carried.

3. Engineering

Mr. Lester Thompson

For Mayor and Council to approve the adoption of Resolution of Commitment to Implement a Phase 2 Livable Centers Initiative (LCI) Project. Mr. Thompson indicated that if awarded the grant request of \$4.95 million, a funding commitment of \$990,000 would be required over the period of 5 years. Councilwoman Portis-Jones questioned the funding source for the LCI Project. Motion to approve the Resolution of Commitment to Implement Phase 2 Livable Centers Initiative (LCI) Project was made by Mayor Pro-Tem Davis and the second was provided by Councilman Smallwood.

Vote: 5-1: Motion Carried.

XII. Council Comments:

Councilman Whitmore stated that Council is responsible with tax payer's money and wants to see the City of Fairburn moving forward and working together.

Councilman Heath explained that this is his 10th year in office as a Councilman for the City of Fairburn and when he became a Councilmember the City's finances were in the negative. Councilman Heath said that he is proud to be a part of moving the city forward.

Mayor Pro-Tem Davis stated that she is proud to be a part of Council. Mayor Pro-Tem Davis also stated that she believes in Council doing their due diligence and reaching out to department heads to answer questions prior to the meeting. Mayor Pro-Tem Davis also stated that the City of Fairburn has the best staff in America.

Councilwoman Portis-Jones stated that she is very proud of staff. Councilwoman Portis-Jones explained that her questions were to help citizens gain an understanding of the information being presented.

Councilman Pallend had no comment.

Councilman Smallwood stated that he is excited about the City's progress.

Mayor Carr-Hurst stated that the City of Fairburn has been great with financial decisions and wants the City to continue to grow and move forward.

XIII. Executive Session: No executive session.

XIV. Adjournment: At 7:56 pm, with no further business of the City of Fairburn the Motion to adjourn was made by Councilman Whitmore and the second was provided by Mayor Pro-Tem Davis.

Arika Birdsong-Miller, City Clerk

Elizabeth Carr-Hurst, Mayor



CITY OF FAIRBURN
CITY COUNCIL AGENDA ITEM

SUBJECT: COMPREHENSIVE REVISION OF THE CODE OF ETHICS, SECTION 2-35 OF THE CITY CODE OF ORDINANCES

AGREEMENT POLICY / DISCUSSION CONTRACT
 ORDINANCE RESOLUTION OTHER

Submitted: 11/13/2019 Workshop: 11/25/2019 Council Meeting: 11/25/19

DEPARTMENT: City Attorney

BUDGET IMPACT: None

PUBLIC HEARING? Yes No

PURPOSE: This item is for discussion and possible approval by the Mayor and City Council. This ordinance is being proposed as a comprehensive revision of the Code of Ethics, Section 2-35 of the City Code of Ordinances.

HISTORY: The City of Fairburn is a GMA recognized City of Ethics and has had a Code of ethics in place since at least 2008. The Code of Ethics has been amended only with respect to narrow issues and has never been comprehensively revised. Recently, in the Summer of 2019, and for the first time, a complaint was submitted pursuant to the Code of Ethics. This experience exposed the need to make comprehensive changes to the Code of Ethics so as to clarify procedures, definitions, remedies and the authority, duties and responsibilities of those charged with handling, reviewing and making determinations regarding ethics complaints.

RECOMMENDED ACTION: Discussion and/or approval of the proposed ordinance.



Mayor Elizabeth Carr-Hurst

1 **ORDINANCE TO AMEND SECTION 2-35 OF THE CODE OF ORDINANCES OF THE**
2 **CITY OF FAIRBURN, GEORGIA, SAID SECTION BEING THE CODE OF ETHICS,**
3 **SO AS TO PROVIDE FOR THE CLARIFICATION OF DEFINITIONS AND**
4 **PROCEDURES; TO PROVIDE FOR SUBPOENA POWERS; TO EXPAND**
5 **JURISDICTIONAL AUTHORITY OVER ETHICS COMPLAINTS; TO PROVIDE FOR**
6 **THE CLARIFICATION OF AND EXPANSION OF AVAILABLE SANCTIONS AND**
7 **REMEDIES; TO PROVIDE FOR AN EFFECTIVE DATE AND FOR OTHER**
8 **PURPOSES**
9

10 **Whereas,** it is essential to the proper administration of City operations that the City enact and
11 maintain a Code of Ethics that ensures to the greatest extent possible that members of the City
12 Governing Authority, as well as members of all appointed City boards, committees and
13 authorities are subject to the highest ethical and professional standards while conducting City
14 business; and

15 **Whereas,** the Mayor and City Council of the City of Fairburn desires to enact these amendments
16 to the City Code of Ethics for the purpose of better ensuring same; and

17 **Whereas,** the Mayor and City Council of the City of Fairburn finds that the enactment of these
18 amendments is necessary and appropriate to promote the public interests and welfare.

19 **Now, Therefore, be it Ordained by the Mayor and City Council of the City of Fairburn,**
20 **Georgia,** and it is hereby Ordained by the authority of same, as follows:

21 **Section 1.**

22 Section 2-35 of the City Code of Ordinances, said Section 2-35 being the City Code of Ethics, is
23 hereby amended by striking said Section in its entirety and substituting a new Section 2-35 to
24 read and provide as follows:

25 Sec. 2-35. - Code of ethics.

26 (a) *Intent.* It is essential to the proper administration and operations of the City of Fairburn
27 ("city") that the members of its governing authority, as well as members of city boards,
28 authorities and commissions (collectively "city officials"), be, and give the appearance of

1 being, independent and impartial; that public office not be used for private gain; that there
2 be public confidence in the integrity of such city officials; that such city officials at all times
3 adhere to the highest standards of professionalism; and that conduct unbecoming of a
4 member of the governing authority or other city board, authority, or commission and
5 conduct by such a member that tends to damage the reputation of the city or its governing
6 authority and/or conduct which otherwise interferes with and negatively impacts city
7 operations and/or which places the city in a poor public light not be tolerated. The governing
8 authority finds that the public interest and welfare requires that it protect city operations
9 ~~against such~~ from the influence of actual and apparent conflicts of interest and acts ~~or~~ of
10 unprofessional and unbecoming conduct by city officials by establishing appropriate ethical
11 standards regarding the conduct of ~~members of the governing authority and other~~ such city
12 officials; .

13 (b) *Definitions.*

14 City official means a member of the city governing authority, including the mayor, as well as
15 persons appointed to serve by the city governing authority on any city board, authority, or
16 commission.

17 Complaint means a written ~~sworn~~ statement, sworn to by the complainant in the presence of
18 a notary public, and filed with delivered to the city clerk, containing specific allegations of fact,
19 which, if established through the procedures set forth in this section, would show that a city
20 official has violated one or more provisions of this section. ~~misconduct by a member of the~~
21 ~~governing authority or other city official, provided, however, such allegations~~ Such complaints
22 must be filed within ~~six months~~ ninety (90) days following the alleged misconduct violation or
23 not later than ~~30~~ thirty (30) days following the date on which the person filing the complaint

1 knew or should have known of the occurrence of the alleged violation ~~misconduct~~, in such cases
2 ~~where the alleged misconduct occurred more than six months prior to the filing of the complaint.~~

3 No complaint shall be accepted against any ~~member of the governing authority or other city~~
4 official unless same is, at the time of the filing of the complaint, a sitting member of the
5 governing authority or other city board, authority, or commission.

6 Governing authority means the mayor and city council.

7 Interest means any direct pecuniary or financial benefit, ~~which is not a remote interest held~~
8 by or accruing to a city official as a result of a contract or transaction that is or may be the
9 subject of an official act or action by ~~or~~ with the city. A city official shall be deemed to have an
10 interest in contracts and transactions involving:

11 (1) Any person in the city official's immediate family;

12 (2) Any person with whom a contractual relationship exists whereby the city official may
13 receive any payment or other benefits unless the city official is receiving a benefit for
14 goods or services in the normal course of business for which the city official has paid a
15 commercially reasonable rate;

16 (3) Any business in which the city official is a director, officer, employee, agent, or
17 shareholder, except as otherwise provided herein; or

18 (4) Any person of whom the city official is a creditor, whether secured or unsecured.

19 Immediate family means the city official's spouse, children, parents, brothers, sisters,
20 grandparents, grandchildren, mother-in-law, father-in-law, son-in-law, or daughter-in-law.

1 (c) *Prohibited conduct.* No city official shall:

2 (1) By conduct give reasonable basis for the impression that any person can improperly
3 influence his/her official conduct or unduly enjoy his/her favor in the performance of
4 official acts;

5 (2) Directly or indirectly request, exact, receive, or agree to receive a gift, loan, favor,
6 promise, or thing of value for himself/herself or another person if it could reasonably be
7 ~~considered~~ presumed to influence the city official in the discharge of official duties;
8 provided, however, this prohibition shall not apply in the case of:

9 a. An occasional non-pecuniary gift of insignificant value;

10 b. An award publicly presented in recognition of public service;

11 c. A commercially reasonable loan or other financial transaction made in the ordinary
12 course of business by an institution or individual authorized by the laws of Georgia
13 to engage in the making of such a loan or financial transaction;

14 d. Campaign contributions made and reported in accordance with Georgia law.

15 (3) Disclose or otherwise use confidential information acquired by virtue of his/her
16 official position for his/her or another person's private gain;

17 (4) Use his/her official position to attempt to secure privileges that are not available to the
18 general public;

19 (5) Engage in, accept employment with, or render services for any private business or
20 other commercial or non-profit entity ~~or professional activity~~ when such employment or
21 rendering of services is adverse to and incompatible with the proper discharge of
22 official duties; provided, however, this prohibition shall not apply to a city official who

1 is a licensed professional and appears on behalf of another in such professional capacity
2 so long as the disclosures required by subsection (d) are provided ~~30 days~~ prior to any
3 action being taken, and the city official was associated with the matter being considered
4 at the time the initial need for or request for action was ~~received.~~ initiated by the city.

5 (6) Engage in any activity or transaction that is prohibited by law now existing or
6 hereafter enacted which is applicable to him/her by virtue of being a ~~member of the~~
7 ~~council;~~ city official;

8 (7) Use his/her position to request or require a city employee to:

9 a. Work on behalf of the city official's personal, family, business, social, church or
10 fraternal interest while at the same time being compensated by the city;

11 b. Purchase goods or services with city funds or to otherwise use city resources for
12 the city official's personal, business, or political purposes; and/or;

13 c. Work for the city official personally without paying the employee just
14 compensation.

15 (8) Use government property of any kind for other than officially approved activities, nor
16 shall he/she direct employees to use government property for purposes other than those
17 officially approved;

18 (9) Use his/her position in any way to coerce, or give the appearance of coercing, another
19 person to provide any financial benefit to himself/herself, or another person;

20 (10) Take any action or engage in any course of conduct that interferes with the proper,
21 efficient and effective operations of the city government; no member of the governing
22 authority or other such city official shall give directives to any city employee who is

1 subject to the direction and supervision of the city administrator and/or a city
2 department head. Actions with respect to any requests from a city official shall be taken
3 only with the advice and consent of the city administrator or the employee's department
4 head;

5 (11) Make any disclosure of confidential information without the approval of the body on
6 which the city official serves; provided, confidential information means information
7 obtained by the city official in the course of the performance of his/her duties, which is
8 either (i) not subject to public disclosure under the laws of the State of Georgia, or (ii)
9 obtained in a closed meeting of the body, duly closed for any of the purposes for which
10 meetings of the body can be closed under the laws of the State of Georgia;

11 (12) Engage in any ex parte communication with any member of the board of ethics
12 regarding a pending complaint.

13 (13) Engage in rude, verbally or physically abusive conduct, or criminal behavior, which
14 interferes with the operations of city government and/or which places the city
15 government in a negative public light.

16 (d) *Disclosure of conflicts of interest.* A city official who has an interest that he/she has reason
17 to believe may be affected by his/her official acts or actions or by the official acts or actions
18 of the involved body shall disclose the precise nature of such interest in writing to the
19 involved body prior to any action being taken. ~~by written or by verbal statement 30 days~~
20 ~~prior to the body taking official action and shall abstain from discussion and voting.~~ Such
21 written disclosures shall be made as soon as the involved city official knows or should know
22 that such action by the involved body is to be taken and the city official shall, upon making
23 such a disclosure, refrain from all exparte communications with other members of the body

1 regarding the matter in which he/she has an interest and the city official shall thereafter
2 disclose the interest at the time of such action by the involved body and abstain from any
3 discussions thereof or vote. The city official shall also disclose the nature of any interest
4 he/she has at the time such matter is presented to the body for discussion. Such written and
5 or verbal disclosures statements shall be recorded in the minutes of the involved body's
6 meeting and become part of the public record. Following any disclosure made pursuant to
7 this section, the city official shall refrain from all ex parte communications with other
8 members of the body regarding the matter in which he/she has an interest.

9 (e) *Disqualification.* A city official shall disqualify himself/herself from participating in any
10 official act or action of the city which results in a pecuniary benefit to him/her or a business
11 or activity in which he/she has an interest directly or indirectly when such benefit is not
12 available to the public at large.

13 (f) *Prohibited contracts.* The city governing body, boards, authorities and commissions shall
14 not enter into any contract involving services or property with a member or with a business
15 in which a member has an interest. This section shall not apply in the case of:

- 16 (1) The designation of a bank or trust company as a depository for city funds;
- 17 (2) The borrowing of funds from any bank or lending institution which offers the lowest
18 available rate of interest in the community for such loan;
- 19 (3) Contracts otherwise entered into in accordance with state law;
- 20 (4) Contracts entered into under circumstances that constitute an emergency situation,
21 provided that the mayor authorizes and signs a written record explaining the emergency;

1 (5) Contracts entered into with a city official, or with a business in which a city official
2 has an interest, provided that such contracts are the result of a competitive bid process,
3 disclosure of the nature of the city official's interest is made prior to any action being
4 taken and in accordance with subsection (d) (5), and a waiver of the prohibition
5 contemplated by this section is approved by the city governing authority ~~mayor and city~~
6 ~~council~~.

7 (g) *Restrictions on contracts with former members of the council.* The city shall not enter into
8 any contract with any person or business represented by such person, who has been within
9 the preceding 12-month period the mayor or a member of the city council, unless the
10 contract is awarded by a competitive bid process.

11 ~~(h) *Complaints.* Any person having a complaint against any city official for an alleged ethics~~
12 ~~violation shall file in writing a sworn complaint setting forth the particular facts and~~
13 ~~circumstances which constitute the alleged violation. The complaint shall be filed with the~~
14 ~~city clerk. The mayor, or in the event the complaint is against the mayor, the mayor pro tem,~~
15 ~~shall then appoint the remaining members of the governing body, not named in the~~
16 ~~complaint, who, along with the mayor or the mayor pro tem, and the city attorney, shall~~
17 ~~constitute an investigating committee to determine whether the complaint sets forth~~
18 ~~significant facts and circumstances so as to warrant a hearing before the board of ethics. In~~
19 ~~the event the investigating committee determines that the complaint does not set forth~~
20 ~~sufficient facts to constitute an alleged violation and is unjustified, frivolous or patently~~
21 ~~unfounded, it shall be dismissed and the complainant notified immediately. In the event the~~
22 ~~complaint is found to state sufficient facts to warrant a hearing before the board of ethics,~~
23 ~~the board of ethics shall be so notified and directed to consider and dispose of the complaint.~~

1 (h) Initial Review. Whenever a complaint as defined in this section is delivered to the city
2 clerk, the follow procedures shall apply: (i) the clerk shall forward the complaint to the city
3 attorney and the city official against whom the complaint has been submitted; (ii) the mayor, or
4 the mayor pro-tem in the event the complaint is against the mayor, or the city attorney in the
5 event the complaint is against both the mayor and the mayor pro-tem, shall within ten (10)
6 business days appoint the remaining members of the governing authority, along with the city
7 attorney, and not including any member of the governing authority who is either the complainant
8 or the city official alleged in the complaint to have violated this section, as an investigating
9 committee who shall be charged with determining whether the complaint sets forth sufficient
10 allegations of fact such that the complaint should be forwarded to the city board of ethics for a
11 hearing to determine whether there was, in fact, a violation of this section; (iii) in making this
12 determination, the investigating committee may request or subpoena such documents as it deems
13 necessary to its inquiry, and the committee may request or subpoena such sworn testimony as it
14 deems necessary to its inquiry; (iv) committee members may rely on their personal knowledge
15 when considering such complaints and shall not be prohibited from doing so merely because they
16 have been identified in the complaint as having such personal knowledge; (iv) meetings of the
17 committee shall be open to the public; (v) meetings of the investigating committee shall be
18 presided over by the mayor unless the complaint is against the mayor, in which case the mayor
19 pro-tem shall preside, or by the city attorney if the complaint is against both the mayor and
20 mayor-pro tem; (vi) the presiding officer shall be entitled to vote and no action shall be taken by
21 the committee except by a majority vote; (vii) if, on a motion to either dismiss the complaint or
22 forward to the board of ethics for a final determination, there is no majority vote of the
23 committee, then the complaint shall be deemed to have been dismissed and the parties to the

1 complaint shall be notified; (viii) if the committee determines by majority vote that there are not
2 sufficient facts to forward the complaint to the board of ethics for a final determination, or that
3 the complaint is frivolous or patently unfounded, the complaint shall be dismissed and the parties
4 shall be notified; (ix) in any case where the committee determines by majority vote that the
5 complaint is frivolous or patently unfounded, the committee may also, by separate motion and
6 majority vote, publicly reprimand the complainant or, in the case of a complaint submitted by a
7 city employee or city official, refer the matter, in the case of a city employee, to the city
8 administrator, or in the case of a city official, to the appropriate body or appointing authority, for
9 further action; (x) in the event the committee forwards a complaint to the city board of ethics for
10 a hearing and final determination, there shall be no presumption that a violation of this section
11 has, in fact, occurred; (xi) once the committee has been appointed after the submission of a
12 complaint, the committee shall endeavor to reach a decision as soon as reasonably possible, and
13 if the committee does not act or fails to act on the complaint within sixty (60) days thereafter, the
14 complaint shall by these procedures be submitted to the board of ethics for a final determination;
15 and (xii) once the committee has been appointed following the submission of a complaint, the
16 committee shall retain jurisdiction over the complaint notwithstanding any attempt to withdraw
17 the complaint.

18 (i) *Board of ethics.*

19 (1) *Composition of the board of ethics:*

20 a. The board of ethics of the city shall be composed of seven residents of the city to
21 be appointed as provided below herein. Each member of the board of ethics shall
22 have been a resident of the city for at least one (1) year immediately preceding the
23 date of ~~taking office~~ his/her appointment and shall remain a resident of the city

1 while serving as a member of the board of ethics. No person shall serve as a
2 member of the board of ethics, if the person has, or has had within the preceding
3 one-year one (1) year period, any interest in any contract, transaction, or official
4 action of the city.

5 b. The mayor and council members shall each appoint one (1) qualified citizen to
6 serve as a member of the board of ethics. These appointments shall be made and
7 spread upon the minutes of the governing authority. The city clerk shall maintain a
8 record of these appointments. Each member of the board of ethics shall serve a
9 term concurrent with the term of the member of the governing body making the
10 appointment. Members of the board of ethics serve at the pleasure of the member of
11 the governing authority making the appointment; provided, however, except for
12 cause, as determined by a majority vote of the governing authority, no member of
13 the board of ethics may be removed during the pendency of any complaint.

14 c. The members of the board of ethics shall serve without compensation. The
15 governing authority of the city shall provide meeting space for the board of ethics.
16 Subject to budgetary procedures and requirements of the city, the city shall provide
17 the board of ethics with such supplies and equipment as may be reasonably
18 necessary for it to perform its duties and responsibilities. In all proceedings of the
19 board of ethics, the city attorney shall provide advice to the board on matters of
20 procedure and evidence; provided, however, in cases where a member of the
21 governing authority is the subject of the complaint, the governing authority,
22 without the participation of ~~the member named in the complaint,~~ any party to the
23 complaint, shall appoint special counsel for the board of ethics.

1 (2) *The board of ethics shall have the following duties and powers:*

2 a. To establish procedures, rules, and regulations governing its internal organization
3 and the conduct of ~~it~~ its affairs;

4 b. To hold ~~a~~ an evidentiary hearing and render a final written decision within ~~60~~ sixty
5 (60) days after the receipt of complaint a complaint has been forwarded to the
6 board for a final determination; provided, however, that the timeframe may be
7 enlarged by the board for good cause and with the approval of the parties to the
8 complaint. Failure to hold a hearing within the specified time shall result in
9 dismissal of the complaint as to the transaction and shall prevent re-filing of a
10 complaint arising from in the same incident for at least a period of six months; In
11 the event that the board fails or refuses to act on a complaint that has been
12 forwarded to it for final determination, the matter shall be referred back to the full
13 governing body for appropriate action. The sixty (60) day period provided for in
14 this section shall begin to run from the time an action has been taken by the
15 governing body's investigating committee to forward the complaint to the board of
16 ethics or, in such cases where it is required, the date on which the governing
17 authority has appointed special legal counsel for the board, whichever event occurs
18 last.

19 c. To prescribe forms, approved by the city attorney, or special counsel appointed for
20 the board, for the disclosure required in this section and to make available to the
21 public information disclosed as provided in this section as necessary and
22 appropriate for carrying out the board's responsibilities;

1 d. ~~To receive and hear complaints of violations of the standards required by this~~
2 ~~section. To make such investigation and conduct such meetings as it deems~~
3 ~~appropriate to render a final determination as to whether, in fact, the party against~~
4 ~~whom a complaint is submitted has violated this section; request or subpoena such~~
5 ~~documents as it deems necessary to its inquiry, and request or subpoena such sworn~~
6 ~~testimony as it deems necessary to its inquiry; and~~

7 e. ~~To make such investigation and response to a complaint as it deems necessary to~~
8 ~~determine whether any person has violated any provisions of this section;~~

9 f. ~~To hold such hearings and make such inquiries as deemed necessary to investigate~~
10 ~~and rule upon complaints;~~

11 g e. To report its written findings and recommendations for action to the governing
12 authority for such action as the governing authority deems appropriate pursuant to
13 this section; provided, however, that no party to the complaint who also serves on
14 the governing authority may participate in the taking of such action.

15 (j) *Service of complaint; hearings and disposition of complaints.* ~~The board of ethics shall~~
16 ~~cause the complaint to be served on the city official charged as soon as practicable. Service~~
17 ~~may be by personal service or by certified mail, return receipt requested. A hearing shall be~~
18 ~~held within 60 days after filing of the complaint. The board of ethics shall conduct the~~
19 ~~hearing in accordance with the procedures and regulations it establishes but, in all~~
20 ~~circumstances, the hearing shall include the taking of testimony and the cross-examination~~
21 ~~of witnesses. The decision of the board of ethics as to whether the city official did or did not~~
22 ~~violate provisions of this code of ethics shall be rendered in writing to governing authority~~
23 ~~within seven business days after completion of the hearing. Once a complaint has been~~

1 forwarded to the board for a final determination, the city clerk shall ensure that the parties to
2 the complaint are notified by any means by which the parties confirm the receipt of such
3 notification. The city clerk shall be responsible for recording the meetings of the board of
4 ethics and the keeping of summary minutes of such meetings - verbatim minutes and the
5 transcribing of such recordings shall not be required. Parties shall be notified by legal
6 counsel representing the board of all meetings at which the board intends to receive sworn
7 testimony. At such hearings, the parties may be represented by legal counsel at their sole
8 expense and they may provide, also at their sole expense, a court reporter to record or
9 transcribe the proceedings. Witnesses may be examined and cross-examined by the parties,
10 and may be questioned by board members and the board's legal counsel. Meetings of the
11 board of ethics shall be open to the public; provided, however, after the taking of testimony;
12 the board may meet in closed session to deliberate the evidence; provided, further, that all
13 votes of the board shall be taken in open session. No evidence may be received by the board
14 while in closed session. The final determination and any recommendations of the board of
15 ethics shall be submitted in writing to the governing authority within seven (7) business days
16 following its decision. Once a complaint has been forwarded to the board for a final
17 determination, the board shall retain jurisdiction over the complaint notwithstanding any
18 attempt to withdraw the complaint.

19 (k) ~~Penalty and member rights~~ Penalties and additional rights of parties .

20 (1) Any city official who knowingly violates any provision of the code of ethics ~~provided~~
21 ~~in this section~~ shall be subject to public reprimand, censure, or removal from office by
22 the city governing authority; provided, however, that no member of the governing

1 authority shall be removed from office except upon and impeachment and trial pursuant
2 to section 2-60 of the city code of ordinances.

3 (2) ~~At Before any evidentiary hearing held by the board of ethics, the city official who is~~
4 ~~the subject of inquiry shall have the right to written notice of the allegations at least ten~~
5 ~~(10) business days before the hearing. At the hearing before the board of ethics, the~~
6 ~~subject city official may be represented by counsel and is entitled to hear and examine~~
7 ~~the evidence and witnesses and to present evidence and witnesses in opposition or in~~
8 ~~extenuation.~~

9 (3) Whenever a city official has been charged in a complaint with a violation of this section
10 while acting in their official capacity and the final determination of the board of ethics
11 is that no such violation occurred, such city official may, in accordance with Georgia
12 law, petition the governing authority for reimbursement of reasonable attorney's fees
13 incurred by the city official in defense of the allegations.

14 (4) In any case where, in addition to finding that no violation of this section occurred, the
15 the board, by an additional special finding, determines, after an evidentiary hearing,
16 that the complaint was based on patently false assertions or was otherwise filed for
17 malicious reasons, the governing authority may take such action against the
18 complainant as within its authority to do so; including, public reprimand, censure,
19 removal from office, or the referral of the matter to other authorities.

20 (l) *Appeals.* Any city official adversely affected by the findings of the board of ethics and who
21 is disciplined in accordance with this section by the city governing authority may obtain
22 judicial review by filing an application for a writ of certiorari in the Superior Court of Fulton

1 County within 30 days after the board's decision. The filing of such application shall act as
2 supersedes.

3 **Section 2.**

4 This ordinance shall become effective on the date approved by the Mayor and City
5 Council. All ordinances or parts of ordinances in conflict with this ordinance are hereby
6 repealed to the extent of the conflict.

7
8 **This 25th day of November, 2019.**

9 **City of Fairburn, Georgia**

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Elizabeth Carr-Hurst, Mayor

ATTEST:

Arika Birdsong-Miller, City Clerk

Approved as to Form:

William R. Turner, City Attorney



CITY OF FAIRBURN

CITY COUNCIL AGENDA ITEM

SUBJECT: ACCEPTANCE OF GENERAL ELECTION RESULTS FOR NOVEMBER 5TH,2019.

AGREEMENT POLICY / DISCUSSION CONTRACT
 ORDINANCE RESOLUTION OTHER

Submitted: 11/12/2019 Workshop: 11/25/2019 Council Meeting: 11/25/2019

DEPARTMENT: Office of the City Clerk

BUDGET IMPACT: N/A

PUBLIC HEARING? Yes No

PURPOSE: For Mayor and Council to accept the official certified results of the City of Fairburn's General Municipal Election. The General Election was held on November 5th,2019 for three City Council seats. Linda J. Davis captured 34.86% of the votes, receiving 601 votes; James Whitmore captured 27.67% of the votes, receiving 477 votes; Pat Pallend received 22.85% of the votes, receiving 394 votes; Willis Ray captured 14.27% of the votes, receiving 246 votes. There were 6 write-in votes that captured 0.35%. The City of Fairburn's Council Members for the 2020-2024 term are: Linda J. Davis, James Whitmore, and Pat Pallend.

HISTORY: N/A

FACTS AND ISSUES: N/A

RECOMMENDED ACTION: For Mayor and Council to accept the official certified results of the City of Fairburn's General Municipal Election.


Elizabeth Carr-Hurst, Mayor

Election Summary Report
 Fulton County, Georgia
 General Municipal and Special Election
 November 5, 2019
 Official and Complete
 CITY OF FAIRBURN

Date:11/08/19
 Time:16:08:08
 Page:1 of 1

Registered Voters 9925 - Cards Cast 770 7.76%

Num. Report Precinct 3 - Num. Reporting 3 100.00%

FAIRBURN CITY COUNCIL

| | Polling | ABM | AIP1 | AIP2 | PRO | Total | |
|----------------------------------|-------------|----------|------------|----------|----------|-------------|---------|
| Number of Precincts | 3 | 3 | 3 | 3 | 3 | 3 | |
| Precincts Reporting | 3 | 3 | 3 | 3 | 3 | 3 | 100.0 % |
| Times Counted (Reg. Voters 9925) | 479 | 0 | 291 | 0 | 0 | 770 | 7.8 % |
| Total Votes | 1111 | 0 | 613 | 0 | 0 | 1724 | |
| L. DAVIS (I) | 398 | 0 | 203 | 0 | 0 | 601 | 34.86% |
| P. PALLEND (I) | 228 | 0 | 166 | 0 | 0 | 394 | 22.85% |
| W. RAY | 169 | 0 | 77 | 0 | 0 | 246 | 14.27% |
| J. WHITMORE (I) | 312 | 0 | 165 | 0 | 0 | 477 | 27.67% |
| Write-in Votes | 4 | 0 | 2 | 0 | 0 | 6 | 0.35% |

Statement of Votes Cast
 Fulton County, Georgia
 General Municipal and Special Election
 November 5, 2019
 Official and Complete
 CITY OF FAIRBURN

Date:11/08/19
 Time:16:26:52
 Page:1 of 2

| | TURN OUT | | |
|-------------------|-------------|------------|-----------|
| | Reg. Voters | Cards Cast | % Turnout |
| Jurisdiction Wide | | | |
| FA01A | 3776 | 316 | 8.37% |
| FA01B | 5458 | 419 | 7.68% |
| FA01C | 691 | 35 | 5.07% |
| Total | 9925 | 770 | 7.76% |

Statement of Votes Cast
 Fulton County, Georgia
 General Municipal and Special Election
 November 5, 2019
 Official and Complete
 CITY OF FAIRBURN

Date:11/08/19
 Time:16:26:52
 Page:2 of 2

FAIRBURN CITY COUNCIL

| | Reg. Voters | Times Counted | Total Votes | L. DAVIS (I) | | P. PALLEND (I) | | W. RAY | | J. WHITMORE (I) | | Write-In |
|-------------------|-------------|---------------|-------------|--------------|--------|----------------|--------|--------|--------|-----------------|--------|----------|
| Jurisdiction Wide | | | | | | | | | | | | |
| FA01A | 3776 | 316 | 720 | 254 | 35.28% | 170 | 23.61% | 99 | 13.75% | 197 | 27.36% | C |
| FA01B | 5458 | 419 | 924 | 318 | 34.42% | 210 | 22.73% | 138 | 14.94% | 256 | 27.71% | 2 |
| FA01C | 691 | 35 | 80 | 29 | 36.25% | 14 | 17.50% | 9 | 11.25% | 24 | 30.00% | 4 |
| Total | 9925 | 770 | 1724 | 601 | 34.86% | 394 | 22.85% | 246 | 14.27% | 477 | 27.67% | 6 |



CITY OF FAIRBURN
CITY COUNCIL AGENDA ITEM

**SUBJECT: LEASE AGREEMENT BETWEEN the CITY OF FAIRBURN, and
URSULA & RICHARD JR. HILLEY (OWNERS OF CASABLANCA
RESTAURANT)**

() AGREEMENT () POLICY / DISCUSSION (X) CONTRACT
() ORDINANCE () RESOLUTION () OTHER

Submitted: 11/19/19

Workshop: 11/25/19

Council Meeting: 11/25/19

DEPARTMENT: PROPERTY MANAGEMENT

BUDGET IMPACT: NONE

PURPOSE: For Mayor and Council to consider the approval of a lease agreement between the City of Fairburn and Ursula & Richard Jr. Hilley owners of Casablanca Restaurant to be located at 7 East Broad Street. The space consists of 2,105 sq. ft. located in the passenger depot downtown Fairburn. The property is to be leased for \$9.00 per square ft., \$18,945 per year, or \$1,578.75 per month for a period of not less than 10 years during the initial agreement, with options to renew.

HISTORY: This facility better known as the depot that housed Collins and Jones Law Firm up until December 2018 which leased this facility for many years. This Governing Body last FY took a stand in revitalizing the downtown area by approving the funds to renovate and convert both depots into sit down restaurants. This leads us to the final completion of the commitment that Mayor & Council made during FY 2018 to invest in the downtown area by converting both depots into restaurants.

RECOMMENDED ACTION: Staff recommends Council to authorize the Mayor to execute this lease agreement between the City of Fairburn and Ursula & Richard Jr. Hilley to become effective January 1, 2020.


Elizabeth Carr- Hurst, Mayor

**STATE OF GEORGIA
COUNTY OF FULTON**

LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter "Agreement"), made and entered into effective the 1st day of January, 2020 ("Effective Date") by and between the **CITY OF FAIRBURN, GEORGIA**, a Georgia Municipal Corporation, whose address is 56 Malone Street, Fairburn, Georgia 30213, (hereinafter "the City" or "the Lessor"), and **Ursula & Richard Jr. Hilley**, an individual doing business as Casablanca, a restaurant (hereinafter "the Lessee"), the parties to this Agreement hereinafter sometimes referred to collectively as "the Parties".

ARTICLE I. LEASED PREMISES AND USE OF LEASED PREMISES

The Lessor, in consideration of the rents agreed to be paid by the Lessee and of the covenants, agreements, provisions and stipulations herein agreed to be mutually kept and performed by the Parties, does, as of the Effective Date, grant, demise, lease and rent, upon the terms and conditions herein stated, unto the Lessee the premises situated in Fulton County, Georgia, and more particularly described as follows, *to wit*:

SEE DESCRIPTION ON EXHIBIT "A" ATTACHED

(hereinafter "the Premises"), together with all the improvements, tenements, and appurtenances, thereunto belonging or in any wise appertaining, including the right of ingress and egress thereto and therefrom at all times, and the Lessee does hereby agree as of the Effective Date to lease, rent and take the Premises from the Lessor, upon the terms and conditions herein stated, to use the Premises solely for educational functions and facilities.

ARTICLE II. TERM

This Agreement shall be for a term of ten (10) years commencing at 12:00 AM on January 1, 2020 and shall terminate at 11:59 PM on January 1, 2030, unless earlier terminated, modified, extended, or renewed (hereinafter "the Term").

ARTICLE III. RENT

The Lessee shall pay the Lessor, at its above-stated address, or at such other address or addresses as may be designated in writing from time to time by the Lessor, the following Rent:

- a. Beginning on the Effective Date, and throughout the Term of this Agreement, Lessee shall pay Lessor an annual Rent of Nine Dollars (\$9.00) per square foot of the Premises described in

Exhibit "A" attached, which annual Rent shall be paid to Lessor in equal monthly installments on the first (1st) day of each and every calendar month during the Term.

- b. Any monthly installment of Rent not received by Lessor within ten (10) days of the due date of shall incur a late fee of one percent (1%) which shall be due and payable immediately to the Lessor.

ARTICLE IV. **MAINTENANCE AND REPAIR**

Except for routine maintenance chores such as changing filters, replacing light bulbs, and minor plumbing repairs, Lessor shall be responsible for the maintenance and repair of all plumbing, electrical, and mechanical equipment installed on the Premises by Lessor, except for special equipment that was installed at the request of the Lessee and was intended specifically for the use of the Lessee. Lessor shall be responsible for the maintenance of the grounds and the parking areas related to the Premises.

ARTICLE V . **STIPULATIONS**

The said stipulations provisions, covenants, agreements, terms and conditions attached thereto and marked Exhibit "B", are hereby incorporated herein and made a part of this Agreement by reference.

ARTICLE VII. **GEORGIA LAW; ENTIRE AGREEMENT**

This Agreement shall be governed by, construed under, performed and enforced in accordance with the laws of the State of Georgia. The Parties mutually agree that this Agreement, including the attached Exhibits "A" and "B" shall constitute the entire agreement of the Parties and that all other agreements between the Parties respecting the Premises shall be deemed null and fully discharged as of the Effective Date of this Agreement.

(Signatures On Next Page)

IN WITNESS WHEREOF, Lessor and Lessee, by and through their authorized representatives, have hereunto executed, signed, and delivered this Agreement in duplicate the day, month, and year first written above, each of the said parties keeping one of the copies hereof.

CITY OF FAIRBURN, GEORGIA
(SEAL)

Signed as to Lessor, in the presence of:

By: _____
Elizabeth Carr-Hurst, Mayor

Unofficial Witness

Attest: _____
Arika Birdsong- Miller, City Clerk

Approved: _____
William R. Turner, City Attorney

Notary Public

(SEAL)

Signed as to Lessee, in the presence of:

By: _____
Ursula & Richard Jr. Hilley, Individually
And as Personal Guarantee

Unofficial Witness

Notary Public

EXHIBIT "A"

Leased Premises

7 East Broad Street, Fairburn, Georgia 30213, which Leased Premises is otherwise known as the former passenger depot lying to the south of Highway 92.

Total Square Feet of Leased Premises: 2,105

EXHIBIT "B"

**Stipulations, Provisions, Covenants, Agreements,
Terms and Conditions of Agreement**

Purpose of Paragraph Identification References

The brief, captioned, paragraph-identification references, which appear in the left hand margin of this Exhibit B, are for the purpose of convenience only and shall be completely disregarded in construing this Agreement.

Definitions

- a) "Lessor" means the City of Fairburn, Georgia, including their successors and assigns, if any.
- b) "Lessee" means Ursula & Richard Jr. Hilley.
- c) "Premises" means the premises leased and identified in Article 1 of the Agreement, set forth with more particularity at Exhibit A to this Agreement.
- d) Any and all references to the "term" of this Agreement shall mean not only the initial term, but also any renewal or extension of the initial term.

Time of Essence

Time is of the essence in this Agreement.

Service of Notice

All notices, requests, demands and other communications necessary or required under this Agreement shall be in writing and shall be mailed by first class United States certified mail, return receipt requested, delivered by a commercial carrier, or personally delivered at the addresses indicated below:

If to Lessor ---

Mayor
City of Fairburn
City Hall
56 Malone Street
Fairburn, Georgia 30213
If to Lessee ---

and

City Administrator
City of Fairburn
City Hall
56 Malone Street
Fairburn, Georgia 30213

If to Lessee ---

Ursula & Richard Jr. Hilley
7 East Broad Street
Fairburn, Georgia 30213

or, as to each party, at such other address and/or person as shall be designated by such party by written notice to the other.

Covenants of Title and Quiet Enjoyment

Lessor covenants that the City of Fairburn is seized of the Premises in fee simple absolute. Lessee, paying the rents and keeping the stipulations, provisions, covenants, terms, agreements, and conditions herein contained, shall lawfully, quietly and peacefully have, hold, use, possess, enjoy, and occupy the Premises hereby rented, with all the improvements, tenements, appurtenances, and each and every part and parcel thereof for and during said term hereby granted, without any suit, hindrance, interruption, inconvenience, eviction, ejection, or molestation by the Lessor or by any other person or persons whatsoever. If, for any reason whatever, except if caused by an act of Lessee or its agents, Lessee is deprived of its right to lawfully, quietly, and peacefully have, hold, use, possess, enjoy and occupy the Premises hereby rented, with all the improvements, tenements, appurtenances, and each and every part and parcel thereof, for and during said term hereby granted, without any suit, hindrance, interruption, inconvenience, eviction, ejection, or molestation by the Lessor or by any other person or persons whatsoever, then this Agreement may be immediately canceled and terminated at the option of the Lessee by giving the Lessor notice thereof. If the Lessor's title shall come into dispute or litigation, the Lessee may withhold payment of rents (without interest) until final adjudication or other settlement of such dispute or litigation.

Notice of Appointment of Agent

Lessee shall be under no obligation to recognize any agent for the collection of rent accrued or to accrue hereunder or otherwise authorized to act with respect to the Premises until notice of the appointment and the extent of the authority of such agent shall be first given to the Lessee by the Lessor in writing.

Change in Ownership of Premises

No change or division in the ownership of the Premises, or of the rents payable hereunder, however accomplished, shall operate to enlarge the obligations or diminish the rights of the Lessee. Further, no change or division in ownership shall be binding on the Lessee for any purpose until the Lessee shall have been furnished with a certified copy of the recorded instrument, or other legally authenticated written instrument, evidencing such change or division in ownership.

Binding Effect On Heirs, Assigns, Etc.

Each of the stipulations, provisions, terms, conditions, covenants, agreements and obligations contained in this Agreement shall apply, extend to, be binding upon and inure to the benefit or detriment of each and every one of the heirs, legal representatives, devisees, legatees, next-of-kin, successors and assigns of the respective parties hereto, and shall be deemed and treated as covenants real running with the Premises during the term of this Agreement. Whenever a reference to the parties hereto is made, such reference shall be deemed to include the heirs, legal representatives, devisees, legatees, next-of-kin, successors and assigns of said party, the same as if in each case expressed.

Lessor's Failure to Deliver Premises at Commencement of Term

Should the Lessor, for any reason whatever, be unable to deliver possession of the Premises to the Lessee at the commencement of the term, there shall be a total abatement of rent during the period between the commencement date and the date upon which the Lessor delivers possession of the Premises to the Lessee.

Destruction of or Damage to Premises

In the event the Premises, either prior to the commencement date or during the term of this Agreement shall be so damaged, by any cause whatever, as to be rendered unfit for occupancy by the Lessee, there shall be a total abatement of rent during the period of time the Premises are unfit for occupancy. Shall the Premises, either prior to the commencement date of this Agreement or during the term thereof, be partially destroyed, by any cause whatever, except if caused by act of Lessee or its agents, but not rendered unfit for occupancy by Lessee, then the Lessor agrees that the Premises, at the Lessor's expense and with reasonable promptness and dispatch, shall be repaired and restored to substantially the same condition as before the damage. In the event of a partial destruction of the Premises there shall be a proportionate abatement in the rent payable during the time such repairs or rebuilding are being made. Such proportionate deduction of rent shall be based upon the extent to which the making of such repairs or rebuilding shall interfere with the business carried on by the Lessee in Premises. Full rental shall again commence after completion of the repairs and restoration of the Premises by the Lessor. In connection with the foregoing, it is agreed by the parties hereto that the Lessee and Lessor shall have a third party to decide, after making a reasonable assessment of damages, who shall make the decision as to whether or not the Premises are fit or unfit for occupancy by the Lessee. There shall be no abatement of rent if any damage is caused by act of Lessee or its agents.

Use of Premises and Lessee's Insurance Requirements

a) Lessee shall use Premises solely for the operation of a restaurant for which the Premises are hereby rented; and no use shall be made of Premises, nor acts done, which will cause a cancellation of or an increase in the fire, casualty and other extended coverage insurance insuring the Premises, without first consulting with Lessor and obtaining appropriate insurance endorsements, including the payment of any increase in premium for such endorsements. The

Lessee shall not sell, or permit to be kept for use in or about Premises, any article or articles which may be prohibited by the standard form of fire insurance policies unless the policy is endorsed as set forth in this paragraph.

b) Lessee shall insure or self-insure at its own cost and expense all of its fixtures, furnishings, equipment and personal property, which it may use or store on the Premises. Lessee will obtain and maintain general liability insurance coverage for the acts of its officers, members, and employees in an amount not less than \$1,000,000.00 per each occurrence.

Event of Default

If Lessee fails to fulfill or obey any of the stipulations, provisions, terms, conditions, covenants, agreements, or obligations of this Lease, whether monetary or non-monetary, Lessee shall be in default of the Lease ("Event of Default"). In the Event of Default, Lessor may, at its option, provide a written seven (7) days notice of default and opportunity to cure upon Lessor specifying the nature of said default. Upon the expiration of seven (7) days, if Lessee has not cured the Event of Default, Lessor may pursue all remedies available to Lessor at law or in equity, including, but not limited to, dispossessory proceedings in a court of competent jurisdiction. In the Event of Default, Lessor may take any legal action to enforce any of Lessee's covenants and obligations in the Lease.

Holding Over

Any holding over, or continued use and/or occupancy by the Lessee of the Premises after the expiration of this Agreement shall operate and be construed as a tenancy at will.

Repairs by Lessor

During the term of this Agreement, and subject to the provisions of Article 4 of this Agreement, Lessor, shall, at its sole cost, service, replace, keep and maintain in good order and repair each and every part and portion of the existing Premises together with any improvements or additions the Lessor might install in or place upon the Premises in the course of the term of this Agreement. In the event that Lessee constructs or erects any additions and/or improvements to or on the Premises, Lessor shall have no obligation whatsoever to service, replace, keep and maintain the same in good order and repair.

Notice to Lessor of Damage or Defects

Lessee shall give to Lessor prompt written notice of any defects in the Premises and, subject to the provisions of Article 4 of this Agreement, such defects shall be remedied with due diligence by the Lessor at Lessor's expense.

Entry for Inspection and Repairs, Alterations or Additions, Janitorial Services, Rubbish Removal

Lessee shall permit Lessor, his agents or employees, to enter into and upon Premises at all

reasonable times for the purpose of inspecting the same or for the purpose of maintaining or making repairs, alterations, or additions to any portion of the Premises.

Lessee shall furnish janitorial services for general cleaning of the Premises. Lessee shall use care to select honest and efficient personnel for such services.

Lessee shall keep the Premises clean, both inside and outside, at its own expense, and shall see that all garbage, trash, and all other refuse is disposed of properly.

Termites, Rodents, and Pests

Lessor shall, subject to the provisions of Article 4 of this Agreement, at its own expense, keep the Premises free from infestation by termites, rodents, and other pests, and shall repair all damage caused to the Premises by same during the term of this Agreement.

Utilities

Lessee shall furnish all water, electricity, gas, fuel, oil, coal, light, air conditioning, heat, cable, internet and power, or any other utility used by Lessee while occupying the Premises. No deduction shall be made from the rent due to a stoppage in the services of water, electricity, gas, fuel, oil, coal, light, air conditioning, heat, cable, internet and power or any other utility unless caused by an act of Lessor. In the event of an interruption in water, electricity, light, air conditioning, heat, cable, internet, or power caused by Lessor, subject to the provisions of Article 4 of this Agreement, Lessor will proceed with all due diligence to restore same.

Taxes and Assessments

Should the Lessee's leasehold in the Premises be subject to any taxes or assessments, Lessee shall be solely responsible for such taxes and assessments.

Removal of Improvements, Erections and Additions by Lessee

With the express written consent of the Lessor first having been obtained, the Lessee may make, at Lessee's own expense, such improvements, erections, and alterations as are necessary to adapt the Premises for the conduct of the Lessee's business. All improvements, erections and additions installed in or placed upon the Premises by the Lessee, whether permanently affixed thereto or otherwise, shall continue and remain the property of the Lessee, and may be removed by the Lessee, in whole or in part, at any time before the expiration or termination of this Agreement or upon a reasonable time thereafter. If the Lessee removes any or all of the improvements, erections and additions it has installed in or placed upon the Premises, the Lessee agrees to repair any specific damage directly resulting to the Premises from such removal to the condition existing at the beginning of the tenancy, fair wear and tear excepted.

Removal of Fixtures by Lessee

At any time before the expiration or termination of this Agreement, or upon a reasonable time thereafter, Lessee shall have the right and privilege to remove all easily removable fixtures, equipment, appliances and movable furniture which it has placed in or upon the Premises. The Lessee agrees to repair any specific damage directly resulting to the Premises from such removal to the condition existing at the beginning of the tenancy, fair wear and tear excepted.

Reservation of Rights

Lessor reserves the right to have access to the Premises for the purpose of inspecting same and maintaining its improvements to the Premises.

Waiver of Rights

The waiver by Lessor, or by Lessee, of any breach of any stipulation, provision, term, covenant, agreement or condition herein contained shall not be deemed to be a waiver of such stipulation, provision, term, covenant, agreement or condition on any subsequent breach of the same or any other stipulation, provision, term, covenant, agreement or condition herein contained.

Abandonment of Premises

During the term of this Agreement, Lessee agrees not to abandon or vacate the Premises without cause.

Waste and Nuisance

Lessee shall not commit, or suffer to be committed, any waste upon the Premises, or any nuisance.

Assignment and Subletting

Lessee shall not assign this Agreement, or any interest therein, and shall not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto, or suffer any other person to occupy or use the Premises, or any portion thereof, without the express written consent of Lessor first having been obtained. Any such assignment or subletting without such consent shall be void, and shall, at the option of the Lessor, on twenty (20) days notice to Lessee, terminate this Agreement. Consent to one assignment and/or subletting shall not waive this provision, and all later assignments and/or sublettings shall likewise be made only on the prior consent of Lessor.

Effect on Assignment and Subletting when Lessee Surrenders Premises

The voluntary or other surrender of this Agreement by Lessee, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Lessor, terminate all or any existing sublets or subtenancies, or may, at the option of Lessor, operate as an assignment to him of any or all such sublets or subtenancies.

Surrender of Premises

Lessee shall, at the termination of this Agreement, vacate and surrender the Premises in good order and condition; reasonable use and ordinary wear and tear excepted.

Invalidity of Provision or Portion of Provision

Should any provision or portion of such provision of this Agreement be held invalid, the remainder of this Agreement or the remainder of such provision shall not be affected.

Compliance with Laws, Ordinances and Regulations

- a) Lessor shall be responsible for compliance with all applicable laws, ordinances, and regulations.

- b) Lessor is solely responsible for assuring that the Premises and all common areas are at all times in compliance with the Americans with Disabilities Act of 1990, 42 U.S.C. §12101 *et seq.* (hereinafter the "ADA") as amended, and with all regulations promulgated pursuant to the ADA (hereinafter the "Regulations"). Except for any remodeling or alterations to the Premises after the commencement date of this Agreement due to an election by Lessee to remodel (but not including any remodeling or alterations at the beginning of the term of this Agreement to make the Premises initially suitable for Lessee), Lessor shall be solely responsible for all costs and expenses associated with ADA compliance. Lessor shall not charge Lessee for, nor seek reimbursement from Lessee for, any expenditures, capital or otherwise, associated with conforming the Premises or common areas to the requirements of the ADA and the Regulations.

Subordination

This Agreement shall be subject and subordinate to all existing liens and encumbrances against the Premises (and all rights and obligations contained therein).

Mold

Lessee acknowledges that it is necessary for the Lessee to provide appropriate climate control, keep the property clean, and take other measures to retard and prevent mold and mildew from accumulating in the Premises. Lessee agrees to clean and dust on a regular basis to remove visible moisture accumulation on windows, walls and on other surfaces as soon as reasonably possible. Lessee agrees not to block or cover heating, ventilation, or air conditioning ducts on the Premises. Lessee also agrees to immediately report to the Lessor: (1) any evidence of a water leak or excessive moisture on the property, as well as in any storage room or common area; (2) any evidence of a mold or mildew like growth that cannot be removed by simply applying a common household cleaner and wiping the area; (3) any failure or malfunction of the heating, ventilation or air conditioning systems in the Premises; and (4) any inoperable windows and doors. Lessee further agrees that Lessee shall be responsible for damage to the Premises and Lessee's property as

well as injury to Lessee and Lessee's occupants resulting from Lessee's failure to comply with the terms of this paragraph.

Entire Agreement

This Agreement, including the attached Exhibits A and B, embodies and sets forth all the provisions, agreements, conditions, covenants, terms and understandings between the parties relative to the Premises. There shall be no provisions, agreements, conditions, covenants, terms, understandings, representations or inducements, either oral or written, between the parties other than are herein set forth. It is further understood and agreed that no subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the parties unless reduced to writing and signed by all the parties to this Agreement.

END OF EXHIBIT "B"



CITY OF FAIRBURN
CITY COUNCIL AGENDA ITEM

SUBJECT: RENEWAL OF A LEASE AGREEMENT BETWEEN THE CITY OF FAIRBURN, and BRENAU UNIVERSITY

() AGREEMENT () POLICY / DISCUSSION (X) CONTRACT
() ORDINANCE () RESOLUTION () OTHER

Submitted: 11-20-19

Workshop: 11-25-19

Council Meeting: 11-25-19

DEPARTMENT: PROPERTY MANAGEMENT

BUDGET IMPACT: NONE

PURPOSE: For Mayor and Council to consider the approval of a renewal of the lease agreement between the City of Fairburn and Brenau University for the areas described in Exhibit "A" for a total of 18,496 sq. ft. of space at \$9.00 per square feet. If approved this lease will be valid for a period of not less than 5 (five) years from the effective date of June 1, 2017.

HISTORY: Brenau University lease should have appeared before you earlier for this renewal once their first agreement expired which was in FY 2017. The reduction in the fee schedule was agreed upon by our previous Administrator; however it was never brought before this Governing Body for the approval, which is why I bring it before you tonight. The University have remained in good standings with the City.

RECOMMENDED ACTION: Staff recommends Council to authorize the Mayor to execute this lease agreement between the City of Fairburn and Brenau University, to become effective June 1, 2017.



Elizabeth Carr- Hurst, Mayor

LEASE AGREEMENT

This Lease Agreement ("Lease") is entered into and effective as of June 1, 2017 by and between Brenau University ("Tenant"), and the City of Fairburn, Georgia, a municipal corporation of the State of Georgia ("Landlord").

RECITALS:

WHEREAS, Landlord is the owner of certain property in downtown Fairburn, which is more particularly known as and may be described as classroom building #2, the southern-most of the three classroom buildings, located at 314 West Broad Street, Fairburn, Georgia ("Premises"), which Premises are further defined in Paragraph 4 of this Lease.

WHEREAS, Tenant desires to rent from Landlord, and Landlord desires to rent to Tenant, the Premises, on the terms and conditions contained herein.

NOW, THEREFORE, pursuant to the requirements of O.C.G.A. Sec. 36-37-6, and in consideration of the foregoing and mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Rental Agreement. Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord in accordance with the terms and conditions set forth below.
2. Term. The Term of this Lease shall be for five (5) year effective as of June 1, 2017, with such lease to expire on May 31, 2022, unless sooner terminated as hereinafter provided.
3. Rent. Tenant agrees to pay to Landlord a fixed gross rent ("Rent") during the Term in the amount of fifteen thousand, three hundred and thirty-three dollars, thirty-three cent (\$15,333.33) per month; which shall be increased by a percentage that is equal to the U.S. Department of Labor, Bureau of Labor Statistics Consumer Price Index, South, the increase applies once tenant supplies this governing body a suitable lessee that will occupy the second floor of this facility. Said index is available at www.bis.gov/r04/home.htm. Said increase shall not exceed 4 annually. Rent shall be paid in advance, on or before the first (1st) day of each month during the Term. Effective on the fifth (5th) day of the month, a ten percent (10) late fee shall be applied.
4. Use of Premises and Common Area. Tenant's leased space in the Premises is approximately 18,400 square feet contained in classroom building #2 in the Fairburn Educational Campus. The Premises shall be used by Tenant, its invitees, guests, employees, representatives, assigns and successors solely for educational mid related purposes and no other. Access shall be available to Tenant 24 hours per day, 365 days per year.
5. Maintenance, Repair of Premises and Prohibited Use. Tenant shall be responsible for keeping the Premises in neat and clean condition, and shall be responsible for repairing any damage caused by Tenant's negligent acts or omissions or intentional misconduct of Tenant, or by the negligent acts or omissions or intentional misconduct of Tenant's students, invitees, agents, and representatives.

LEASE AGREEMENT

6. Assignment and Subletting. Tenant shall not, without the prior written consent of Landlord, which shall not be unreasonably withheld, assign this Lease or any interest hereunder, or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than the Tenant.
7. Utility Bills. Tenant shall pay all utility bills, including, but not limited to water, sewer, electricity, trash pickup, fuel, light and heat bills for the Premises.
8. Indemnification and Insurance. Tenant shall not permit any liens to be filed against the Premises as a result of Tenant's use of same. Tenant shall assume sole responsibility for or incur liability for any injury to person or property caused by any act or omission of any person while on the property and shall agree to indemnify the municipality and hold it harmless from any claim, suit, or demand made by any person. Tenant shall indemnify and hold harmless Landlord from any cost, loss, or expense, including, without limitation, reasonable and incurred attorneys' and experts' fees, to the extent arising from gross negligence or willful misconduct of Tenant or Tenant's employees, agents, tenants, guests, or invitees or contractors at or about the Premises. Pursuant to Georgia law, Tenant shall maintain in force and effect throughout the term of this Lease a policy of liability insurance, in the amount of not less than one million dollars (\$1,000,000.00) per claim, naming the Landlord as an additional insured.
9. Landlord's Access to Premises. Landlord shall have the right to enter upon the Premises at any time.
10. Tenant Default. An "Event of Default" shall occur if Tenant fails to observe or perform any of the provisions of this Lease required to be observed or performed by Tenant, provided that Tenant has received from Landlord written notice of Tenant's alleged Lease violation and Tenant fails to cure same within five (5) days after such notice.
11. Notices. Any notice or other communication provided for in this Lease shall be in writing and must be either (i) served by personal delivery, (ii) made by facsimile transmission, or (iii) sent by overnight courier service (with all fees prepaid) to the receiving parties as follows, or to any other address which either party may hereafter designate for itself in writing:
- If to Landlord:
- Attn: Elizabeth Carr-Hurst, Mayor
City of Fairburn, Georgia
56 Malone Street
Fairburn, Georgia 30213
- If to Tenant:
- Attn: David Barnett, Senior VP for Administration
Brenau University
500 Washington Street, SE
Gainesville, GA 30501
12. Governing Law. This Lease shall be construed in accordance with the laws of the State of Georgia.
13. Entire Agreement. This Lease supersedes all prior discussions and agreements between Landlord and Tenant, including any of the respective officers, directors, employees, or agents with respect to the matters contained herein, and this Lease constitutes the sole and entire agreement with respect thereto. Any representation, inducement, promise, or agreement, whether oral or written, between the parties or any of their respective officers, directors, employees, or agents that is not embodied herein shall be of no

LEASE AGREEMENT

force and effect.

14. Counterparts. This Lease may be executed in multiple counterparts, each of which shall be deemed an original and together shall constitute one and the same agreement, with one counterpart being delivered to each party hereto.

15. Severability. If any term, covenant, or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease and the application of any such term, covenant or condition to persons or circumstances other than those as to which they have been held invalid or unenforceable, shall not be affected thereby, and this Lease and each term, covenant or any condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

16. No Estate In Land. This Lease shall create the relationship of Landlord and Tenant between the parties hereto. No estate shall pass out of Landlord. Tenant has only a usufruct, not subject to levy and sale, and not assignable by Tenant except pursuant to the express terms of this Lease.

17. Repairs by Landlord. Landlord agrees to keep in good repair the roof, foundations, and exterior sewer line, and walls of the Premises (exclusive of all glass and exclusive of all exterior doors).

18. Repairs by Tenant. Tenant shall maintain in good order and repair the Premises, including the building, heating and air conditioning equipment and other improvements located thereon, except those repairs expressly required to be made by Landlord hereunder.

19. Alterations. Tenant shall not make any alterations, additions, or improvements to the Premises without Landlord's prior written consent. Tenant shall promptly remove any alterations, additions, and improvements constructed in violation of this Paragraph upon Landlord's written request, all at Tenant's expense. All alterations, additions and improvements which Landlord has not required Tenant to remove shall become landlord's property and shall be surrendered to landlord upon the termination of this Lease, except that Tenant may remove any of Tenant's machinery or equipment which can be removed without material damage to the Premises. Tenant shall repair, at Tenant's expense, any damage to the Premises caused by the removal of any such machinery or equipment.

20. Exterior Signs. Tenant shall place no signs upon the outside walls or roof of the Premises except with the written consent of the Landlord. Any and all signs placed on the Premises by Tenant shall be maintained in compliance with governmental rules and regulations governing such signs, and Tenant shall be responsible to Landlord for any damage caused by installation, use or maintenance of said signs, and all damage incident to such removal.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed by their respective duly authorized officers and their respective seals to be hereunto affixed the day and year first above written.

Tenant:

On behalf of Brenau University:

LEASE AGREEMENT

**_____
David L. Barnett, Senior Vice President for Administration**

Landlord:

City of Fairburn, Georgia

**_____
Elizabeth Carr-Hurst, Mayor**

Attest:

**_____
Arika Birdsong-Miller, City Clerk**

Approved as to Form:

**_____
William R. Turner, City Attorney**

EXHIBIT "A"

**Description
of Leased Premises**

The Leased Premises consist of 18,496 square feet located on the southern portion of the Fairburn Educational Campus and contains two (2) levels. Located at 314 West Broad Street.

EXHIBIT "B"

Stipulations, Provisions, Covenants, Agreements, Terms and Conditions of Agreement

Purpose of Paragraph Identification References

The brief, captioned, paragraph-identification references, which appear in the left hand margin of this Exhibit B, are for the purpose of convenience only and shall be completely disregarded in construing this Agreement.

Definitions

- a) "Lessor" means the City of Fairburn, Georgia, acting pursuant to a Project Lease Agreement between the City and the Downtown Development Authority of Fairburn, including their successors and assigns, if any.
- b) "Lessee" means Brenau University, a public educational authority of the State of Georgia, pursuant to O.C.G.A. § 20-3-540 *et seq.*
- c) "Premises" means the premises leased and identified in Article 1 of the Agreement, set forth with more particularity at Exhibit A to this Agreement.
- d) Any and all references to the "term" of this Agreement shall mean not only the initial term, but also any renewal or extension of the initial term.

Time of Essence

Time is of the essence in this Agreement.

Service of Notice

All notices, requests, demands and other communications necessary or required under this Agreement shall be in writing and shall be mailed by first class United States certified mail, return receipt requested, delivered by a commercial carrier, or personally delivered at the addresses indicated below:

If to Lessor ---

Mayor
City of Fairburn
City Hall
56 Malone Street
Fairburn, Georgia 30213

and

City Administrator
City of Fairburn
City Hall
56 Malone Street
Fairburn, Georgia 30213

If to Lessee ---

Brenau University:

The President

With a copy to:

The VP for Business Affairs and Fairburn Director

or, as to each party, at such other address and/or person as shall be designated by such party by written notice to the other.

Covenants of Title and Quiet Enjoyment

Lessor covenants that the Downtown Development Authority of Fairburn is seized of the Premises in fee simple absolute and, pursuant to a certain judicially validated Intergovernmental Agreement and Project Lease Agreement by and between the Downtown Development Authority of Fairburn and the City of Fairburn Georgia, Lessor holds a leasehold interest in the Premises which vested in Lessor the right to enter into this Agreement regarding the Premises. Lessee, paying the rents and keeping the stipulations, provisions, covenants, terms, agreements, and conditions herein contained, shall lawfully, quietly and peacefully have, hold, use, possess, enjoy, and occupy the Premises hereby rented, with all the improvements, tenements, appurtenances, and each and every part and parcel thereof for and during said term hereby granted, without any suit, hindrance, interruption, inconvenience, eviction, ejection, or molestation by the Lessor or by any other person or persons whatsoever. If, for any reason whatever, except if caused by an act of Lessee or its agents, Lessee is deprived of its right to lawfully, quietly, and peacefully have, hold, use, possess, enjoy and occupy the Premises hereby rented, with all the improvements, tenements, appurtenances, and each and every part and parcel thereof, for and during said term hereby granted, without any suit, hindrance, interruption, inconvenience, eviction, ejection, or molestation by the Lessor or by any other person or persons whatsoever, then this Agreement may be immediately canceled and terminated at the option of the Lessee by giving the Lessor notice thereof. If the Lessor's title shall come into dispute or litigation, the Lessee may withhold payment of rents (without interest) until final adjudication or other settlement of such dispute or litigation.

Notice of Appointment of Agent

Lessee shall be under no obligation to recognize any agent for the collection of rent accrued or to accrue hereunder or otherwise authorized to act with respect to the Premises until notice of the appointment and the extent of the authority of such agent shall be first given to the Lessee by the Lessor in writing.

Change in Ownership of Premises

No change or division in the ownership of the Premises, or of the rents payable hereunder, however accomplished, shall operate to enlarge the obligations or diminish the rights of the Lessee. Further, no change or division in ownership shall be binding on the Lessee for any purpose until the Lessee shall have been furnished with a certified copy of the recorded instrument, or other legally authenticated written instrument, evidencing such change or division in ownership.

Binding Effect On Heirs, Assigns, Etc.

Each of the stipulations, provisions, terms, conditions, covenants, agreements and obligations contained in this Agreement shall apply, extend to, be binding upon and inure to the benefit or detriment of each and every one of the heirs, legal representatives, devisees, legatees, next-of-kin, successors and assigns of the respective parties hereto, and shall be deemed and treated as covenants real running with the Premises during the term of this Agreement. Whenever a reference to the parties hereto is made, such reference shall be deemed to include the heirs, legal representatives, devisees, legatees, next-of-kin, successors and assigns of said party, the same as if in each case expressed.

Lessor's Failure to Deliver Premises at Commencement of Term

Should the Lessor, for any reason whatever, be unable to deliver possession of the Premises to the Lessee at the commencement of the term, there shall be a total abatement of rent during the period between the commencement date and the date upon which the Lessor delivers possession of the Premises to the Lessee.

Destruction of or Damage to Premises

In the event the Premises, either prior to the commencement date or during the term of this Agreement shall be so damaged, by any cause whatever, as to be rendered unfit for occupancy by the Lessee, there shall be a total abatement of rent during the period of time the Premises are unfit for occupancy. Shall the Premises, either prior to the commencement date of this Agreement or during the term thereof, be partially destroyed, by any cause whatever, except if caused by act of Lessee or its agents, but not rendered unfit for occupancy by Lessee, then the Lessor agrees that the Premises, at the Lessor's expense and with reasonable promptness and dispatch, shall be repaired and restored to substantially the same condition as before the damage. In the event of a partial destruction of the Premises there shall be a proportionate abatement in the rent payable during the time such repairs or rebuilding are being made. Such proportionate deduction of rent shall be based upon the extent to which the making of such repairs or rebuilding shall interfere with the business carried on by the Lessee in Premises. Full rental shall again commence after completion of the repairs and restoration of the Premises by the Lessor. In connection with the foregoing, it is agreed by the parties hereto that the Lessee and Lessor shall have a third party to decide, after making a reasonable assessment of damages, who shall make the decision as to whether or not the Premises are fit or unfit for occupancy by the Lessee. There shall be no abatement of rent if any damage is caused by act of Lessee or its agents.

Use of Premises and Lessee's Insurance Requirements

- a) Lessee shall use Premises for any purpose within the powers of Georgia Military College for its educational and administrative functions for which the Premises are hereby rented; and no use shall be made of Premises, nor acts done, which will cause a cancellation of or an increase in the fire, casualty and other extended coverage insurance insuring the Premises, without first consulting with Lessor and obtaining appropriate insurance endorsements, including the payment of any increase in premium for such endorsements. The Lessee shall not sell, or permit to be kept for use in or about Premises, any article or articles which may be prohibited by the standard form of fire insurance policies unless the policy is endorsed as set forth in this paragraph.
- b) Lessee shall insure or self-insure at its own cost and expense all of its fixtures, furnishings, equipment and personal property, which it may use or store on the Premises. Lessee will provide third party liability coverage arising from the acts of its officers, members, and employees to the fullest extent permitted under the Georgia Tort Claims Act, O.C.G.A. §50-21-20 *et seq.* and such self-insurance funds maintained pursuant to Georgia law. The Georgia Tort Claims Act provides coverage for \$1,000,000.00 per person and \$3,000,000.00 per occurrence for claims covered by the Act.

Event of Default

If Lessee fails to fulfill or obey any of the stipulations, provisions, terms, conditions, covenants, agreements, or obligations of this Lease, whether monetary or non-monetary, Lessee shall be in default of the Lease ("Event of Default"). In the Event of Default, Lessor may, at its option, provide a written seven (7) days notice of default and opportunity to cure upon Lessor specifying the nature of said default. Upon the expiration of seven (7) days, if Lessee has not cured the Event of Default, Lessor may pursue all remedies available to Lessor at law or in equity, including, but not limited to, dispossessory proceedings in a court of competent jurisdiction. In the Event of Default, Lessor may also, at its option, accelerate the rent and hold Lessee liable for the balance of the unpaid rent for the remainder of the Lease term. If Lessor has to take any legal action to enforce any of Lessee's covenants and obligations in the Lease, Lessor is entitled to recover its reasonable attorney's fees.

Holding Over

Any holding over, or continued use and/or occupancy by the Lessee of the Premises after the expiration of this Agreement shall operate and be construed as a tenancy at will.

Repairs by Lessor

During the term of this Agreement, and subject to the provisions of Article 4 of this Agreement, Lessee, shall, at its sole cost, service, replace, keep and maintain in good order and repair each and every part and portion of the existing Premises together with any improvements or additions the Lessor might install in or place upon the Premises in the course of the term of this Agreement. In the event that Lessee constructs or erects any additions and/or improvements to or on the Premises,

Lessor shall have no obligation whatsoever to service, replace, keep and maintain the same in good order and repair.

Notice to Lessor of Damage of Defects

Lessee shall give to Lessor prompt written notice of any defects in the Premises and, subject to the provisions of Article 4 of this Agreement, such defects shall be remedied with due diligence by the Lessor at Lessor's expense.

Entry for Inspection and Repairs, Alterations or Additions, Janitorial Services, Rubbish Removal

Lessee shall permit Lessor, his agents or employees, to enter into and upon Premises at all reasonable times for the purpose of inspecting the same or for the purpose of maintaining or making repairs, alterations, or additions to any portion of the Premises.

Lessee shall furnish janitorial services for general cleaning of the Premises. Lessee shall use care to select honest and efficient personnel for such services.

Lessee shall keep the Premises clean, both inside and outside, at its own expense, and shall see that all garbage, trash, and all other refuse is disposed of properly.

Termites, Rodents, and Pests

Lessor shall, subject to the provisions of Article 4 of this Agreement, at its own expense, keep the Premises free from infestation by termites, rodents, and other pests, and shall repair all damage caused to the Premises by same during the term of this Agreement.

Utilities

Lessee shall furnish all water, electricity, gas, fuel, oil, coal, light, air conditioning, heat, cable, internet and power, or any other utility used by Lessee while occupying the Premises. Lessee will establish an account with City of Fairburn utilities for this purpose. No deduction shall be made from the rent due to a stoppage in the services of water, electricity, gas, fuel, oil, coal, light, air conditioning, heat, cable, internet and power or any other utility unless caused by an act of Lessor. In the event of an interruption in water, electricity, light, air conditioning, heat, cable, internet, or power caused by Lessor, subject to the provisions of Article 4 of this Agreement, Lessor will proceed with all due diligence to restore same.

Taxes and Assessments

This section is not applicable.

Removal of Improvements, Erections and Additions by Lessee

With the express written consent of the Lessor first having been obtained, the Lessee may make, at

Lessee's own expense, such improvements, erections, and alterations as are necessary to adapt the Premises for the conduct of the Lessee's business. All improvements, erections and additions installed in or placed upon the Premises by the Lessee, whether permanently affixed thereto or otherwise, shall continue and remain the property of the Lessee, and may be removed by the Lessee, in whole or in part, at any time before the expiration or termination of this Agreement or upon a reasonable time thereafter. If the Lessee removes any or all of the improvements, erections and additions it has installed in or placed upon the Premises, the Lessee agrees to repair any specific damage directly resulting to the Premises from such removal to the condition existing at the beginning of the tenancy, fair wear and tear excepted.

Removal of Fixtures by Lessee

At any time before the expiration or termination of this Agreement, or upon a reasonable time thereafter, Lessee shall have the right and privilege to remove all easily removable fixtures, equipment, appliances and movable furniture which it has placed in or upon the Premises. The Lessee agrees to repair any specific damage directly resulting to the Premises from such removal to the condition existing at the beginning of the tenancy, fair wear and tear excepted.

Reservation of Rights

Lessor reserves the right to execute other leases for those portions of the Premises located on separate floors of the administration building, on-site parking areas and other designated common areas.

Waiver of Rights

The waiver by Lessor, or by Lessee, of any breach of any stipulation, provision, term, covenant, agreement or condition herein contained shall not be deemed to be a waiver of such stipulation, provision, term, covenant, agreement or condition on any subsequent breach of the same or any other stipulation, provision, term, covenant, agreement or condition herein contained.

Abandonment of Premises

During the term of this Agreement, Lessee agrees not to abandon or vacate the Premises without cause.

Waste and Nuisance

Lessee shall not commit, or suffer to be committed, any waste upon the Premises, or any nuisance.

Assignment and Subletting

Lessee shall not assign this Agreement, or any interest therein, and shall not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto, or suffer any other person to occupy or use the Premises, or any portion thereof, without the express written consent of Lessor first

having been obtained. Any such assignment or subletting without such consent shall be void, and shall, at the option of the Lessor, on twenty (20) days notice to Lessee, terminate this Agreement. Consent to one assignment and/or subletting shall not waive this provision, and all later assignments and/or sublettings shall likewise be made only on the prior consent of Lessor.

Effect on Assignment and Subletting when Lessee Surrenders Premises

The voluntary or other surrender of this Agreement by Lessee, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Lessor, terminate all or any existing sublets or subtenancies, or may, at the option of Lessor, operate as an assignment to him of any or all such sublets or subtenancies.

Surrender of Premises

Lessee shall, at the termination of this Agreement, vacate and surrender the Premises in good order and condition; reasonable use and ordinary wear and tear excepted.

Invalidity of Provision or Portion of Provision

Should any provision or portion of such provision of this Agreement be held invalid, the remainder of this Agreement or the remainder of such provision shall not be affected.

Compliance with Laws, Ordinances and Regulations

- a) Lessor shall be responsible for compliance with all applicable laws, ordinances, and regulations.
- b) Lessor is solely responsible for assuring that the Premises and all common areas are at all times in compliance with the Americans with Disabilities Act of 1990, 42 U.S.C. §12101 *et seq.* (hereinafter the "ADA") as amended, and with all regulations promulgated pursuant to the ADA (hereinafter the "Regulations"). Except for any remodeling or alterations to the Premises after the commencement date of this Agreement due to an election by Lessee to remodel (but not including any remodeling or alterations at the beginning of the term of this Agreement to make the Premises initially suitable for Lessee), Lessor shall be solely responsible for all costs and expenses associated with ADA compliance. Lessor shall not charge Lessee for, nor seek reimbursement from Lessee for, any expenditures, capital or otherwise, associated with conforming the Premises or common areas to the requirements of the ADA and the Regulations.

Subordination

This Agreement shall be subject and subordinate to all existing liens and encumbrances against the Premises (and all rights and obligations contained therein).

Mold

Lessee acknowledges that it is necessary for the Lessee to provide appropriate climate control, keep the property clean, and take other measures to retard and prevent mold and mildew from accumulating in the Premises. Lessee agrees to clean and dust on a regular basis to remove visible moisture accumulation on windows, walls and on other surfaces as soon as reasonably possible. Lessee agrees not to block or cover heating, ventilation, or air conditioning ducts on the Premises. Lessee also agrees to immediately report to the Lessor: (1) any evidence of a water leak or excessive moisture on the property, as well as in any storage room or common area; (2) any evidence of a mold or mildew like growth that cannot be removed by simply applying a common household cleaner and wiping the area; (3) any failure or malfunction of the heating, ventilation or air conditioning systems in the Premises; and (4) any inoperable windows and doors. Lessee further agrees that Lessee shall be responsible for damage to the Premises and Lessee's property as well as injury to Lessee and Lessee's occupants resulting from Lessee's failure to comply with the terms of this paragraph.

Entire Agreement

This Agreement, including the attached Exhibits A and B, embodies and sets forth all the provisions, agreements, conditions, covenants, terms and understandings between the parties relative to the Premises. There shall be no provisions, agreements, conditions, covenants, terms, understandings, representations or inducements, either oral or written, between the parties other than are herein set forth. It is further understood and agreed that no subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the parties unless reduced to writing and signed by all the parties to this Agreement.

END OF EXHIBIT "A"



CITY OF FAIRBURN
CITY COUNCIL AGENDA ITEM

SUBJECT: APPROVAL OF CONDEMNATION OF PARCELS 9 & 10 ON THE HOWELL AVENUE EXTENSION PROJECT

() AGREEMENT () POLICY / DISCUSSION () CONTRACT
() ORDINANCE () RESOLUTION (X) OTHER

Submitted: 11/19/2019 Workshop: 11/25/2019 Council Meeting: 11/25/2019

DEPARTMENT: Engineering

BUDGET IMPACT: The budget impact has yet to be fully determined, however potential condemnations have been accounted for in the project's right-of-way acquisition funding (360-0000-54-1410).

PUBLIC HEARING? () Yes (X) No

PURPOSE: For Mayor and Council to approve condemnation of Parcel 9 & 10 (Herman Investments & Holdings, LLC) on the Howell Avenue Extension Project.

HISTORY: Howell Avenue Extension is T-SPLOST Roadway Project designed to provide connectivity between Bohannon Road and SR74/Senoia Road, an alternative route for motorists (trucks), and to open up parcels for future development. This effort will also improve freight connectivity to SR 74 and I-85 with regard to the recently expanded CSX intermodal terminal.

The South Fulton CID is funding the design. The City of Fairburn has approximately \$720,000 in T-SPLOST funds allocated to the project for right-of-way acquisition.

A grant application to the Georgia Transportation Infrastructure Bank (GTIB) was submitted by Southeastern Engineering, Inc. (SEI) on behalf of the South Fulton CID and the City of Fairburn to secure supplemental funding to cover anticipated construction costs. On June 19th, 2018, Governor Nathan Deal announced the grant award of \$1.5 Million for the project.

FACTS AND ISSUES: On May 21st, 2019, in accordance with the Uniform Act and based on Fair Market Value (FMV) an initial offer of \$304,300 was made to the property owners of Parcels 9 & 10; \$293,900 for 0.045 acres or 1,957.54 sf of temporary easement and 0.188 acres or 8,192.80 of property located on Parcels 9, and \$10,400 for 0.038 acres or 1,676.99 sf of temporary easement and 0.061 acres or 2,673.38 sf of property located on Parcel 10.

On July 12th, 2019, we received their counter-offer of \$656,300, which includes \$252,00 for 5 years lost rental income, \$100,000 in clean-up costs, plus our initial offer of \$304,300.

On July 24th, 2019, the right-of-way acquisition agent received a call from Elizabeth Story, an attorney retained by the Property Owner (Herman Investment). In a subsequent discussion, Ms. Story indicated that they would be bringing an engineer on board to assess the cost-to-cure and mitigation options. On November 11th, after several follow-up attempts, Ms. Story provided a secondary counter-offer of \$577,370 (\$562,370 + 15,000). The \$562,370 is for Parcel 9; this value is based on \$7.55/sf for the acquisition requirements, \$388,452 in consequential damages, and an additional \$100,000 for improvements and fixtures. The \$15,000 is for the acquisition requirements on Parcel 10 based on \$7.55/sf. In her counter-offer, Ms. Story also indicated they will also be seeking relocation and business damages that could range from \$2,000,000 - \$7,500,000.

In order to finalize the plans and put the project out to bid for construction, the project's right-of-way acquisition must be completed. Parcels 9 & 10 are the last two parcels requiring acquisition.

RECOMMENDED ACTION: Staff recommends that Mayor and Council approve the pursuit of condemnation on Parcels 9 & 10 of the Howell Avenue Extension Project.


Elizabeth Carr-Hurst, Mayor



2675 Paces Ferry Road, Suite 145
Atlanta, Georgia 30339
valbridge.com

May 1, 2019

THC, Inc.
3300 Breckenridge Blvd; Suite 200
Duluth, Georgia 30096

RE: Parcel 9
Howell Avenue Extension Project
98 Howell Avenue
Fairburn, Georgia 30213

To Whom It May Concern:

As requested, we have inspected the referenced property, reviewed right of way and construction plans, and analyzed the economics of the area for the purpose of conveying an opinion of the market value of the unencumbered fee simple interest, easements, and any other interests in the part acquired, plus any consequential damages less any special benefits to the remainder in accordance with Georgia State Law.

The effective date of this analysis and valuation is April 9, 2019, the most recent date of inspection.

Submitted herewith is our appraisal containing the pertinent facts and data gathered in our market research. Reference is made to the "Limiting Conditions and Assumptions" and "Certification" of the appraisers which are included in the report. This report has been prepared in conformance with and is subject to the Code of Ethics of the Appraisal Institute. It also complies with our interpretation of the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.

Respectfully Submitted,
Valbridge Property Advisors | Cantrell Miller, LLC

A handwritten signature in blue ink, appearing to read "K. Cantrell", written over a light blue circular stamp.

Kenneth H. Cantrell, MAI
Georgia Certified General Appraiser (CG5047)
Direct: 678-644-4853
kcantrell@valbridge.com

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ATTACHMENTS

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| ATTACHMENT | I | CERTIFICATION (GENERAL) |
| ATTACHMENT | II | SUBJECT PHOTOGRAPHS |
| ATTACHMENT | III | DEPARTMENT OF TRANSPORTATION PLANS |
| ATTACHMENT | IV | COMPARABLE LAND SALES |
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| ATTACHMENT | VI | COMPARABLE RENTALS |
| ATTACHMENT | VII | COST TO CURE |
| ATTACHMENT | VIII | SIGN APPRAISAL |
| ATTACHMENT | IX | SUBJECT DEED |

APPRAISAL REPORT (RW-388N)

Section 1 – Project Identification

| | |
|-----------|---------------------------------|
| Project # | Howell Avenue Extension Project |
| County | Fulton |
| P.I. # | 2015-17-166 |

Section 2 – Parcel Identification

| | |
|-------------------|---|
| Parcel Number | Parcel 9 |
| Tax Parcel ID | 09F-0901-0048-1-007 |
| Street Address | 98 Howell Avenue Fairburn, Georgia 30213 |
| County | Fulton |
| Land Size (Acres) | 1.888 Acre (per R/W plans) |
| Land Size (SF) | 82,244.80 Square Feet (per R/W plans) |

Owner

| | |
|------|---|
| Name | Herman Investments & Holdings, LLC Brad Kaufmann, Partner 98 Howell Avenue Fairburn, Georgia 30213 |
|------|---|

| | |
|---------|---|
| Address | 98 Howell Avenue Fairburn, Georgia 30213 |
|---------|---|

| | |
|-------------|--------------|
| Telephone # | 470-278-8433 |
|-------------|--------------|

| | |
|-----------------|----|
| Unincorporated: | No |
|-----------------|----|

| | |
|--------------------|-----|
| Incorporated City: | Yes |
|--------------------|-----|

Section 3 - Owner Contact/Ownership Interests

Contact

| | |
|------------------------------------|-------------|
| Owner/Representative Contacted | Yes |
| Date/Method of Contact | See Remarks |
| Owner Agreed to On-Site Inspection | Yes |
| Unable to Contact Owner As Of | N/A |
| Methods of Attempted Contact | N/A |
| Dates of Attempted Contact | N/A |

Inspection

| | |
|---|------------------|
| Date of Inspection | April 9, 2019 |
| Owner/Representative on Inspection | See Remarks |
| Appraiser Associate on Inspection | Yes |
| Date of Meeting with Owner/Representative | See Remarks |
| Location of Meeting | Subject Property |

Underground Items

| | |
|---------------------------|-----|
| Underground Storage Tanks | No |
| Septic Systems/Wells | No |
| Underground Sprinklers | No |
| Other | N/A |

Occupancy

| | |
|--------------------------|------------------|
| Occupant of Improvements | Blackjack Paving |
| Relationship to Owner | Owners' Company |

Rent

| | |
|---------------------------|------------|
| Actual Rent (\$/RSF) | \$10.14/SF |
| Actual Rent Type | NNN |
| Economic Rent | \$8.50/SF |
| Economic Rent Type | NNN |
| Support for Economic Rent | Yes |

Remarks

Contact was made with Brad Kaufmann, Partner with Herman Investments & Holdings, LLC, Mr. Kaufmann and another partner accompanied the appraisers on the site inspection. The partners indicated that they had purchased the property in 2017 and had spent almost \$1,000,000 in renovations to build out the two-story office and upgrade the interior of the shop. The also fenced the site, paved the employee parking area and set up equipment parking in a gravel area of the site. The property is leased to a company owned by Mr. Kaufman and other partners. The lease is between related parties and is not considered a market rent transaction.

Title History

A Preliminary Title Certificate (PTC) was not provided and the ownership was determined based on the recorded deed. The property had been transferred by virtue of a Limited Warranty Deed from Howell Fairburn, LLC to Herman Investments & Holdings, LLC, on March 30, 2017 according to Deed Book 57344/ 213. The purchase price was \$595,000 according to the buyer and the deed. There were no prior transfers of the property in the three years prior to this sale.

Physical History

| | |
|--|-----------------------------|
| Current Use: | Industrial / Paving Company |
| # of Years of Recent Use: | In excess of 2 years |
| Previous Use (if current use less than 5 years): | Truck Repair Facility |
| Anticipated Use (if change anticipated): | N/A |

Other Property Interests

| | |
|-----------------|------------------------------------|
| Lessee: | Blackjack Paving (Owner's company) |
| Trade Fixtures: | See "Trade Fixtures" section |
| Easements: | N/A |

Section 4 – Reporting Disclosure

This appraisal is prepared in an appraisal report format and is intended for use by the client only. A General Data Book was not prepared.

Purpose and Intended Use of the Appraisal

The purpose of this appraisal is to convey an opinion of the market value of the unencumbered fee simple interest, easements, and any other interests in the part acquired, plus any consequential damages less any special benefits to the remainder in accordance with Georgia State Law.

The intended use of this report is to assist in acquiring a right of way in fee simple and/or easements for the proposed project.

Intended Client/Intended User

THC, Inc. is the intended client and the intended users of this appraisal.

Property Rights Being Appraised/Proposed for Acquisition

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. ¹

¹ The Appraisal of Real Estate, 14th Edition; 2013, Published by the Appraisal Institute.

Market Value

“Market Value” means: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised and are acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale.²

Exposure Time

Assumed to be adequate, sufficient and reasonable. Effort for exposure is assumed to be adequate, sufficient and reasonable. Both items are assumed to precede the effective date of value. The time frame is an integral part of the appraisal analysis and is based on one or more of the following:

- Statistical information about days on the market
- Information gathered through sales verification
- Interviews of market participants

An exposure time of approximately 12 months is considered adequate for the subject property.

Easements

Temporary Easement

A temporary easement involves the purchase of construction rights for the duration of the project. Inherent in the temporary easement is the presumption that affected site improvements (curbing, paving, etc.) will be replaced upon completion of construction. Landscaping improvements are assumed to be acquired and not replaced.

Permanent Easement

In this analysis and valuation, permanent easements are assumed to include the acquisition of defined property rights, with some defined rights remaining with the owner. Inherent in the definition of permanent easements is the right to use the defined area during construction; therefore, the permanent easement includes both the temporary (construction) rights as well as perpetual maintenance rights.

² Ibid.

Appraisal Type

Total Acquisition:

 N/A Vacant Land

Partial Acquisition:

 Land & Improvements (All Types)-Impact on Remainder
With Without N/A Site ImprovementsScope of the Assignment

The term "scope of the appraisal" relates to the extent of the process of collecting, verifying, and analyzing data leading to the valuation conclusion.

This appraisal assignment involves the valuation of a property located in an area characterized by established industrial uses oriented along Howell Avenue Corridor. In this analysis, right-of-way plans were utilized, along with Fulton County tax plats and recorded deeds, to properly identify the subject property and the rights being acquired. An on-site inspection was made, along with an inspection of the surrounding area.

The land valuation program involved the gathering and analysis of land sales, listings, contracts, and offers in the subject's competitive market area, with the sales period spanning approximately four years. The valuation of the property as improved required the gathering and analysis of rentals, sales, listings, offers, and contracts of similar properties in the subject's competitive market area and similar market areas. Other analyses related to general demographic and economic trends were noted utilizing various reporting services. Our valuation procedures are discussed in detail in following sections of this report.

Special Limitations

General:

Reference is made to the "Limiting Conditions and Assumptions" presented at the end of the report.

Special:

None.

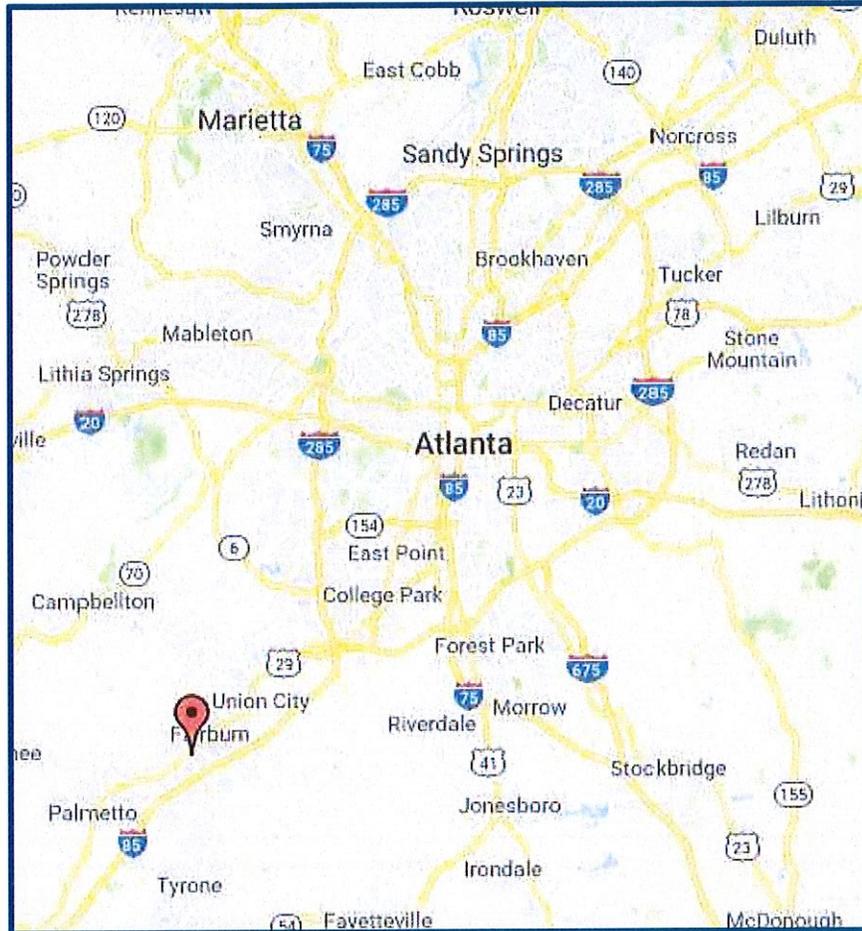
Competency Provision

The appraiser has knowledge and prior experience in appraising properties similar to the subject; therefore, the competency provision of the Uniform Standards of Professional Appraisal Practice has been satisfied.

Independence of the Appraiser

The appraiser hereby acknowledges having no prior involvement with the subject property within the preceding three years. The appraiser has no current or prospective interest in the property or any of the parties involved.

Regional and Market Area Analysis



Regional Analysis

The subject property is located in Fairburn, Fulton County, Georgia, which is part of the Atlanta, GA MSA.

The Atlanta Metropolitan Statistical Area (Atlanta MSA), which is comprised of 28 counties located in the northwest portion of Georgia. The Atlanta MSA includes the counties of Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Newton, Paulding, Pickens, Pike, Rockdale, Spalding and Walton. Atlanta is the largest city in the region. The city of Atlanta, as well as the state of Georgia, has exhibited strong growth since 1960.



The Atlanta MSA has a total area of 8,376 square miles and a population of approximately 5.3 million in 2010, growing 24 percent since 2000. In 2010, the Atlanta MSA had grown to the ninth-largest metropolitan area in the United States. In

2020, the metropolitan area is projected by the U.S. Census Bureau to rank sixth in the nation in most populated metro areas with over 7.2 million people.

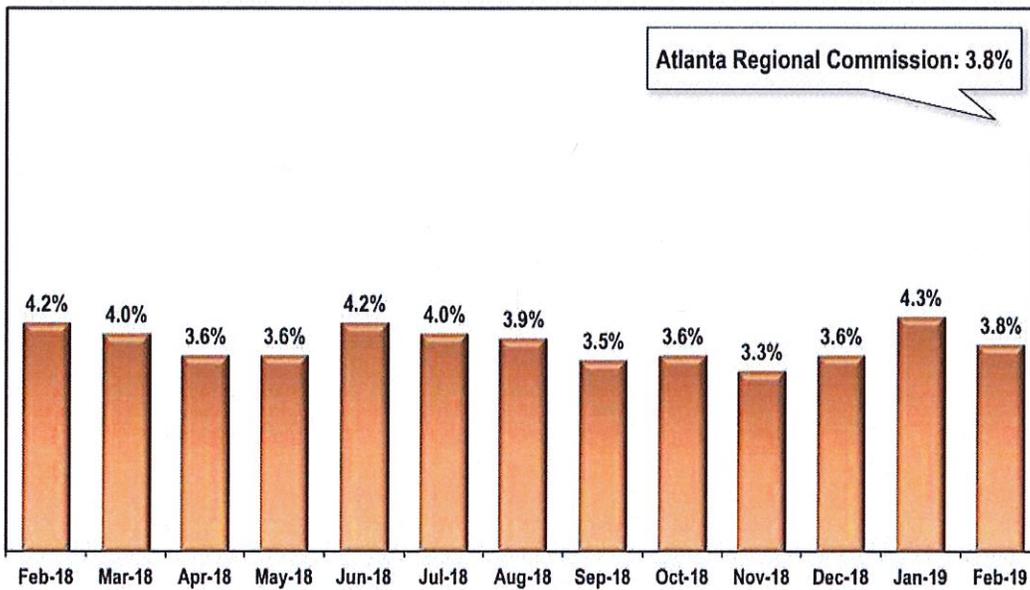
The Atlanta MSA continues to expand as an international trade center supported by the world’s busiest airport in passenger traffic, as well as the largest industrial market in the southeast and a leading railroad hub. With three interstates converging in downtown Atlanta, the Atlanta MSA is the transportation and distribution hub of the southeast.

Population

The Atlanta MSA experienced population growth from 2000 through 2010. The Atlanta MSA population grew by a larger percent than the state of Georgia or the nation. The regional population, as well as that of the state and nation, is summarized in the charts on the following pages.

Unemployment

Atlanta Regional Commission Unemployment Rate (Not Seasonally Adjusted)



Note: Atlanta Regional Commission includes Cherokee, Clayton, Cobb, DeKalb, Douglas, Fayette, Fulton, Gwinnett, Henry and Rockdale counties.

Source: Georgia Department of Labor – Mark Butler, Commissioner

MOODY'S ANALYTICS UNITED STATES

EMPLOYMENT GROWTH RATE

2017-2019: **1.6%**

2017-2022: **0.8%**

GROSS DOMESTIC PRODUCT

2017-2019: **2.9%**

2017-2022: **2.3%**

Source: Moody's Analytics

STRENGTHS & WEAKNESSES

STRENGTHS

- Very productive workforce
- Labor market attracts skilled and unskilled immigrants
- High innovation and entrepreneurship
- Mobile labor force, flexible labor system

WEAKNESSES

- Large budget, current account deficits
- Skewed income and wealth distribution
- Polarized and fractured political system
- Demographic challenges

ANALYSIS

Recent Performance. The economy is enjoying a banner year with real GDP growth on track for a close to 3% gain, the strongest of the nearly decade-long expansion. However, it is not sustainable. Fiscal stimulus—deficit-financed tax cuts and government spending increases—will juice up growth through much of next year, but soon thereafter the stimulus will fade and so too will the economy (see Chart 1).

The midterm election results cement this outlook. If Republicans had held on to Congress, there would likely have been more stimulus as the GOP doubled down on the tax cuts. At the very least Republicans would have made permanent the personal tax cuts that passed late last year. Under current law they expire mid-next decade. But with divided government, there will be no additional stimulus, nor any other significant economic policy.

Tax giveaway. The tax cuts have been the principal source of stimulus this year. The sum of the changes to tax law reduced individual and corporate tax bills by \$175 billion this year, not quite 1% of GDP. Tax bills will decline again in 2019, although not by as much, and then stabilize. If there is no further change in tax law, the Trump tax cuts will cost the Treasury approximately \$15 trillion, or 7.5% of GDP, over the coming decade.

As anticipated, the tax cuts fired up consumer spending. Retail sales excluding vehicle and gasoline purchases, have risen at a 5% pace over the past year, near the strongest growth of this expansion. This boost to spending is temporary, and there are already signs it has begun to moderate. The decline in personal savings to pre-tax cut levels is evidence that households have already burned through much of their tax saving.

Hopes that the corporate tax cuts would lift business investment have not been realized, at least not yet. Corporations are huge beneficiaries of the tax cuts. Their effective tax rate—corpo-

rate tax revenues as a percent of corporate profits—has fallen to an all-time low of 7%. This is half of what it was a year ago, and compares to a 50% effective rate just after World War II (see Chart 2).

Proponents of the corporate tax cut argued that the lower rate would reduce the cost of capital sufficiently to prompt more investment. They failed to acknowledge that the tax cuts would push interest rates higher as the nation's deficits and Treasury borrowing ballooned, raising the cost of capital. The net of these cross-currents is that the cost of capital has not changed much for businesses, and, therefore, neither has their investment.

Spending spree. While the filip to growth from the tax cuts has begun to wane, the economy will soon get a sizable charge from a significant pickup in government spending. The two-year, \$300 billion federal spending bill that lawmakers agreed to early this year is just now kicking in. Both defense and nondefense outlays are set to rise sharply.

There is typically a delay between when funds are appropriated and when government agencies cut checks, but this time the delay has been longer. Spending only recently began to pick up. That means more of the added spending will be done next year than previously thought. Increased federal outlays will add about 20 basis points to GDP growth this year, and almost 60 basis points next year, with the apex of the impact on GDP growth occurring in mid-2019. State and local governments, flush with revenues due to the strong economy and property prices, will add to the spending spree.

However, like the tax cuts, government spending will not sustain stronger growth for long. Under current law, federal spending will revert to the previous much lower spending caps at

(Continued next page)

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO, 3-MO MA

| | Oct 17 | Apr 18 | Oct 18 |
|-----------------------|--------|--------|--------|
| Total | 1.5 | 1.6 | 1.7 |
| Construction | 3.7 | 3.6 | 4.6 |
| Manufacturing | 1.1 | 1.9 | 2.3 |
| Trade | 0.1 | 0.6 | 0.7 |
| Trans/Utilities | 2.6 | 2.7 | 3.1 |
| Information | -0.9 | -1.5 | -0.8 |
| Financial Activities | 1.9 | 1.6 | 1.3 |
| Prof & Business Svcs | 2.2 | 2.5 | 2.6 |
| Edu & Health Svcs | 2.3 | 1.9 | 2.0 |
| Leisure & Hospitality | 2.3 | 1.9 | 1.7 |
| Other Services | 1.4 | 1.6 | 1.4 |
| Government | 0.2 | 0.0 | 0.3 |

FORECAST RISKS

SHORT TERM ▲

UPSIDE

- Rising wealth and wages act as tailwinds for consumer spending
- Synchronized global growth supports U.S. exports and manufacturing

LONG TERM ▲

DOWNSIDE

- Long-term interest rates rise quickly, hurting housing and investment
- Fiscal stimulus overheats the economy
- Protectionist policies affect trade and immigration

MOODY'S RATING

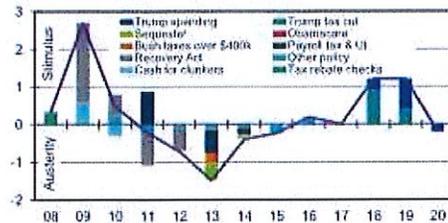
Aaa

| | | | | | | | INDICATORS | | | | | |
|--------|--------|--------|--------|--------|--------|------------------------------------|------------|--------|--------|--------|--------|--------|
| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| 16,197 | 16,495 | 16,900 | 17,167 | 17,659 | 18,051 | Gross domestic product (CDP\$ bil) | 18,574 | 19,105 | 19,281 | 19,720 | 20,243 | 20,669 |
| 2.2 | 1.8 | 2.5 | 2.9 | 1.6 | 2.2 | % change | 2.9 | 2.9 | 0.9 | 2.3 | 2.7 | 2.1 |
| 134.2 | 136.4 | 138.9 | 141.8 | 144.3 | 146.6 | Total employment (mil) | 149.0 | 151.2 | 151.7 | 151.6 | 152.8 | 153.9 |
| 1.7 | 1.6 | 1.9 | 2.1 | 1.8 | 1.6 | % change | 1.6 | 1.5 | 0.3 | -0.1 | 0.8 | 0.7 |
| 8.1 | 7.4 | 6.2 | 5.3 | 4.9 | 4.4 | Unemployment rate (%) | 3.9 | 3.4 | 3.8 | 4.7 | 5.0 | 5.0 |
| 5.1 | 1.2 | 5.7 | 4.9 | 2.6 | 4.4 | Personal income growth (%) | 4.6 | 4.9 | 4.1 | 3.6 | 4.2 | 4.0 |
| 314.0 | 316.2 | 318.6 | 321.0 | 323.4 | 325.7 | Population (mil) | 328.0 | 330.1 | 332.1 | 334.0 | 336.2 | 338.4 |
| 0.5 | 0.6 | 0.6 | 0.7 | 0.8 | 0.9 | Single-family starts (mil) | 0.9 | 1.1 | 1.2 | 1.4 | 1.5 | 1.5 |
| 0.2 | 0.3 | 0.4 | 0.4 | 0.4 | 0.4 | Multifamily starts (mil) | 0.4 | 0.4 | 0.4 | 0.4 | 0.5 | 0.4 |
| 2,059 | 1,834 | 1,263 | 1,671 | 2,036 | 1,757 | Mortgage originations (\$ bil) | 1,646 | 1,660 | 1,663 | 1,696 | 1,694 | 1,819 |
| 1,181 | 1,039 | 910 | 820 | 771 | 766 | Personal bankruptcies (ths) | 762 | 765 | 830 | 961 | 1,124 | 1,285 |
| 0.1 | 0.1 | 0.0 | 0.1 | 0.3 | 0.9 | 91-day Treasury bill (%) | 1.9 | 2.7 | 3.1 | 3.0 | 2.7 | 2.7 |
| 1.8 | 2.3 | 2.5 | 2.1 | 1.8 | 2.3 | 10-year Treasury bond (%) | 3.0 | 3.5 | 3.5 | 3.9 | 4.3 | 4.3 |

PRÉCIS® U.S. METRO • United States

Lots of Fiscal Stimulus

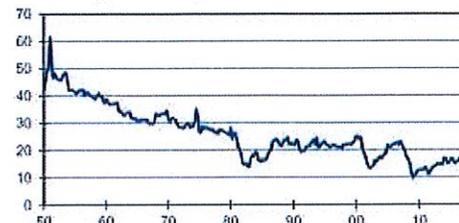
Federal discretionary fiscal policy as a % of GDP



Source: Moody's Analytics

Corporations Enjoy a Tax Windfall

Effective corporate tax rate, %



Sources: BEA, Moody's Analytics

the start of fiscal 2020. Lawmakers will not allow this to happen, even with a divided government. Moody's Analytics expects they will agree to another spending bill early next year that extends 2018 spending levels for the foreseeable future (see Chart 3). Though this will moderate the falloff in spending, it will not forestall it, and fiscal stimulus will give way to fiscal austerity by 2020.

Budget black hole. The fiscal stimulus is temporarily supporting growth but at great cost to the nation's fiscal health. The ballooning budget deficit is on track to breach \$1 trillion this fiscal year, equal to nearly 5% of GDP. The nation has suffered larger deficits, but less than a handful of times, and only when the economy was struggling with severe recessions.

Lawmakers who supported last year's tax cuts argued that cuts would pay for themselves by jump-starting sustainably stronger growth and much more tax revenue. Not so. Revenues are plunging, and at 17% of GDP they are already well below the 18% of GDP they averaged over the past half century (see Chart 4). This is despite some sizable—but likely fleeting—sources of revenue including higher tariffs, the Federal Reserve's profits on its bloated balance sheet, and payments to the Treasury by Fannie Mae and Freddie Mac.

Even if government spending remains near its half-century average of close to 22% of GDP, the deficit will hover close to 5% of GDP. This is not sustainable, since it is greater than the economy's 4% nominal GDP growth potential. The federal debt load, which is already at a post-World War

II record of almost 80%, will rise to more than 100% of GDP by the middle of the next decade.

Political gridlock. Lawmakers must reverse course, and the longer it takes them to muster the political will to do it, the more the economy will be diminished. But with divided government, prospects are poor that Washington will make any significant changes to economic policy or successfully address the eroding fiscal situation in the next two years.

Lawmakers could come to terms on a big infrastructure program. The president and Democrats in control of the House of Representatives have consistently proclaimed that the nation needs to repair its roads, bridges and airports. Immigration reform is more of a stretch, but it also is possible. This too has had past bipartisan support and is obviously needed given the mounting crisis. It is wrenching to see kids torn from their parents, caravans of desperate immigrants making their way to our border, and Dreams stuck in legal limbo. The president may eventually calculate that his virulent anti-immigration stance will not win him a second term.

Yet, odds are low that any of this will happen. The presidential election is two years away, but electioneering is already in full gear. In such a heated political environment it is hard to see how DC can agree on anything. Indeed, the drama and uncertainty may increase as Congress lurches from one deadline to the next. Lawmakers will need to pass budgets to ensure the government does not shut down, and they will need to increase the limit on the nation's rapidly growing debt. Lawmakers will ultimately get

this done—the alternative would be economic and political suicide—but it will not be pretty.

With legislation no longer a possibility, a frustrated President Trump may double down on policies he has more control over, such as the trade war with China. So far, this war has done little economic damage. That will change if the president claps tariffs on all Chinese imports, which he continues to threaten. Prospects are even skinner when considering how the Chinese might respond.

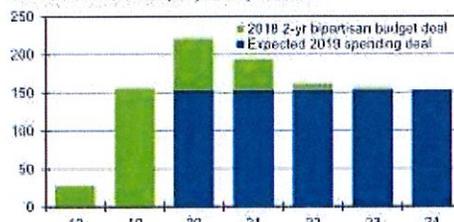
Further deregulation of the fossil fuel, financial services, and healthcare industries seems likely. The president could accelerate the opening of federal lands to energy development. He could privatize Fannie Mae and Freddie Mac, the mortgage giants responsible for almost half of all mortgages made in the country. There is a long list of things this president could do without Congress.

Do no harm. The good news is that gridlock also means lawmakers will not be able to pass bad legislation. The president said before the election that if Congress remained Republican he would pass another tax cut. This would have been especially bad policy. Another tax cut would only add to the ballooning budget deficit largely created by last year's tax cuts. The prospect of not mending things up is perhaps why Wall Street's initial reaction was to cheer the election results. But investors are likely to eventually grow weary of Washington's gridlock and realize that simply doing no harm is not a strategy for a strong economy.

Mark Zandi
November 2018

More Government Spending

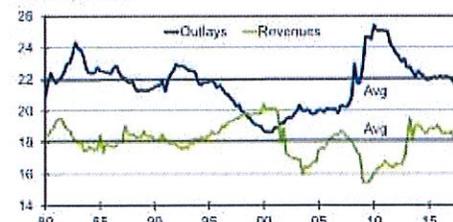
Additional federal outlays by fiscal yr due to...



Sources: CBO, Moody's Analytics

Big Gap Between Outlays and Revenues

Share of GDP, %



Sources: BEA, Moody's Analytics

MOODY'S ANALYTICS SOUTH

EMPLOYMENT GROWTH RATE

2017-2019: **2.0%**

2017-2022: **1.2%**

GROSS DOMESTIC PRODUCT

2017-2019: **3.3%**

2017-2022: **2.7%**

RELATIVE EMPLOYMENT PERFORMANCE (JAN 2008=100)

Source: Moody's Analytics

STRENGTHS & WEAKNESSES

STRENGTHS

- Lower costs, including taxes, attract businesses and households.
- Above-average population growth in some states drives household spending.

WEAKNESSES

- Workforce quality still lags in many places, and per capita incomes are low.
- Foreign competition in manufacturing erodes the South's competitive advantage.

ANALYSIS

Recent Performance. The South labor market is growing steadily at an above-average rate, though the West has regained the lead among the broad regions. In well-paying industries such as professional services, manufacturing and construction, the South is actually ahead. As a result, the region is first in high-wage job growth over the past year.

The data on residential markets are more mixed. On the one hand, house prices have underperformed over the past year, rising more slowly than the national average in every state in the region except Tennessee. On the other hand, in terms of homebuilding, the South and West are each expanding faster than the U.S. as a whole, a sharp contrast with the contraction in the Midwest and Northeast.

Southeast briefly on top. In September the Southeast temporarily took over first place from the U.S. oil patch in year-over-year job growth, but that ranking will not persist, as Florida's onetime 4.7% job gain dropped back to a more normal 2.7% in October. Regardless, the state will remain an above-average performer, as will its major metro areas, especially Orlando, but also Jacksonville, Miami and Tampa. Although population growth has decelerated significantly compared with a decade ago, the pace of gains is still about double the national average, on in-migration of retirees. Georgia rose back to second place on a rebound in professional services. In contrast, both South Carolina and North Carolina temporarily slipped in September, largely because of Hurricane Florence, which suppressed job growth and homebuilding. Otherwise, in Charlotte and Raleigh, financial and professional services are accelerating.

Oil patch volatility. Although energy-producing states are likely to lead the way in 2019, downside risks are emerging. Oil prices

CURRENT EMPLOYMENT TRENDS

| | % CHANGE YR AGO, 3-MO MA | | |
|-----------------------|--------------------------|--------|--------|
| | Oct 17 | Apr 18 | Oct 18 |
| Total | 1.5 | 1.3 | 2.4 |
| Construction | 2.5 | 4.2 | 5.2 |
| Manufacturing | 1.1 | 1.5 | 2.4 |
| Trade | 0.2 | 0.6 | 1.5 |
| Trans/Utilities | 2.8 | 3.8 | 3.9 |
| Information | -0.3 | -1.1 | -0.7 |
| Financial Activities | 2.1 | 1.9 | 2.0 |
| Prof & Business Svcs | 1.8 | 2.6 | 3.4 |
| Edu & Health Svcs | 1.5 | 1.6 | 2.5 |
| Leisure & Hospitality | 1.7 | 2.6 | 3.2 |
| Other Services | 0.5 | 1.5 | 2.1 |
| Government | 0.4 | 0.3 | -0.0 |

had risen to nearly \$75 per barrel in early October but fell sharply to less than \$50 a barrel in late November. Active rigs in the three energy states—Texas, Oklahoma and Louisiana—have leveled off in recent months amid the price decline. However, job growth in each accelerated over the past year, though gains in Louisiana are still weak. Texas remains the leader because energy is not the state's only driver. Homebuilding is strong, especially in Dallas and Austin, lifted by the in-migration of professionals amid multiple corporate expansions. In Houston, residential construction is also up because of reconstruction from Hurricane Harvey in 2017.

Midsouth underperforms. Most states in the middle of the South will lag the region as a whole. Alabama, Arkansas, West Virginia and Kentucky have had below-average job growth over the past year. A common theme has been poor demographics, limiting gains in personal services and housing. The major exception has been Tennessee, which has perennially been the star performer in this part of the region, buoyed by a more diverse economy including motor vehicle production and tourism and faster population growth.

Defense. The South will gain from rising military spending, as it is home to five of the top six states in active-duty personnel. Virginia will especially accelerate because of the high concentration of naval activity in Virginia Beach and defense-related consulting in Northern Virginia.

The South will grow at an above-average pace led by the defense buildup and further gains in the energy industry. Longer term, the South will derive support from low business costs as well as above-average population growth in Texas and the Southeast.

Edward Friedman
November 2018

FORECAST RISKS

SHORT TERM ▲ | **LONG TERM** ▲

UPSIDE

- Energy prices rebound, lifting the oil-producing states once again.
- Low costs and new trade policies enable reshoring of manufacturing.

DOWNSIDE

- In-migration to the Southeast rebounds less than anticipated.
- Decline in U.S. vehicle sales slows growth in the mid-South auto-producing states more than expected.

COST OF DOING BUSINESS

96%

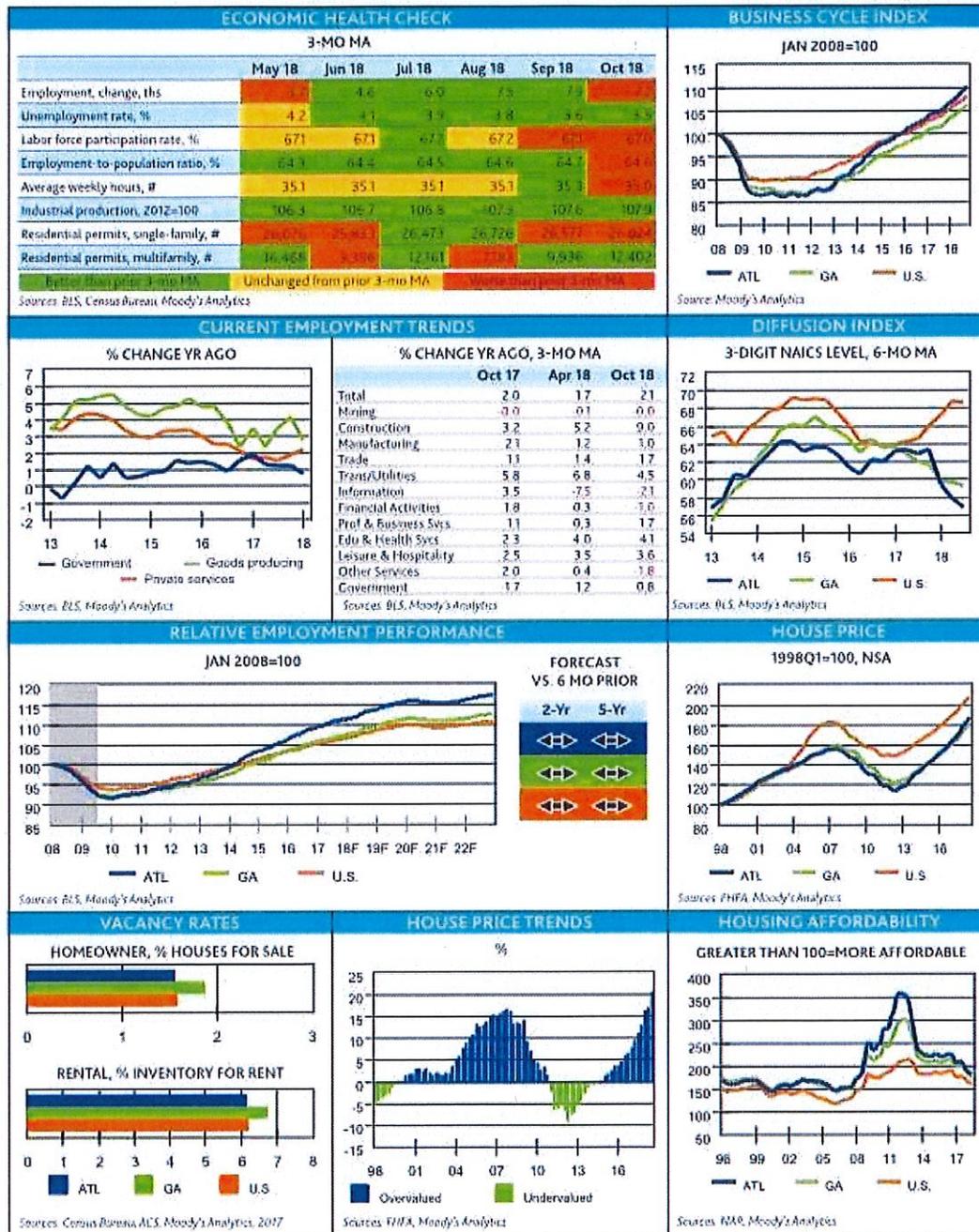
| | | | | | | | INDICATORS | | | | | | |
|---------|---------|---------|---------|---------|---------|------------------------------------|------------|---------|---------|---------|---------|---------|--|
| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| 4,703.7 | 4,812.9 | 4,929.4 | 5,082.5 | 5,130.5 | 5,239.4 | Gross regional product (C09\$ bil) | 5,412.6 | 5,591.7 | 5,667.7 | 5,824.9 | 6,009.0 | 6,162.7 | |
| 44,864 | 45,725 | 46,766 | 47,849 | 48,703 | 49,425 | Total employment (ths) | 50,430 | 51,416 | 51,819 | 51,948 | 52,527 | 53,047 | |
| 1.9 | 1.9 | 2.3 | 2.3 | 1.8 | 1.5 | % change | 2.0 | 2.0 | 0.8 | 0.2 | 1.1 | 1.0 | |
| 7.8 | 7.0 | 6.0 | 5.3 | 4.9 | 4.3 | Unemployment rate (%) | 3.9 | 3.4 | 3.7 | 4.6 | 4.9 | 4.9 | |
| 5.1 | 11 | 8.4 | 4.3 | 2.0 | 4.3 | Personal income growth (%) | 4.9 | 5.6 | 4.3 | 4.5 | 5.4 | 5.0 | |
| 109,848 | 110,914 | 112,134 | 113,464 | 114,762 | 115,951 | Population (ths) | 117,318 | 118,737 | 120,135 | 121,526 | 122,956 | 124,398 | |
| 644.6 | 602.0 | 729.5 | 865.6 | 852.7 | 758.1 | Net migration (ths) | 949.0 | 1,009.4 | 998.1 | 1,002.6 | 1,055.1 | 1,081.7 | |
| 263,641 | 315,269 | 328,063 | 362,601 | 389,925 | 429,608 | Single-family permits (#) | 457,086 | 532,851 | 590,980 | 655,455 | 698,589 | 695,433 | |
| 141,025 | 152,063 | 165,732 | 182,944 | 177,061 | 168,443 | Multifamily permits (#) | 192,997 | 191,780 | 178,027 | 182,224 | 194,366 | 197,319 | |
| 266 | 275 | 289 | 306 | 325 | 346 | House price (1980Q1=100) | 368 | 378 | 385 | 392 | 401 | 413 | |
| 522 | 503 | 367 | 470 | 567 | 505 | Mortgage originations (\$ mil) | 482 | 485 | 483 | 496 | 501 | 533 | |
| 5,440.6 | 5,791.6 | 6,163.0 | 6,468.3 | 6,522.1 | 6,356.8 | New vehicle registrations (ths) | 6,396.4 | 6,360.3 | 6,106.0 | 6,363.9 | 6,786.8 | 6,772.7 | |
| 406,310 | 370,059 | 340,879 | 310,363 | 294,152 | 289,495 | Personal bankruptcies (#) | 283,227 | 284,850 | 296,725 | 344,209 | 413,540 | 492,063 | |

MOODY'S ANALYTICS ATLANTA-SANDY SPRINGS-ROSWELL GA

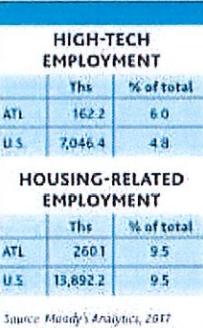
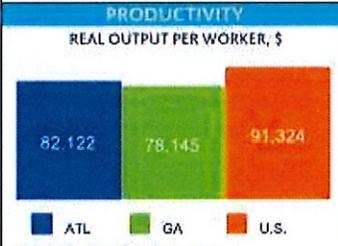
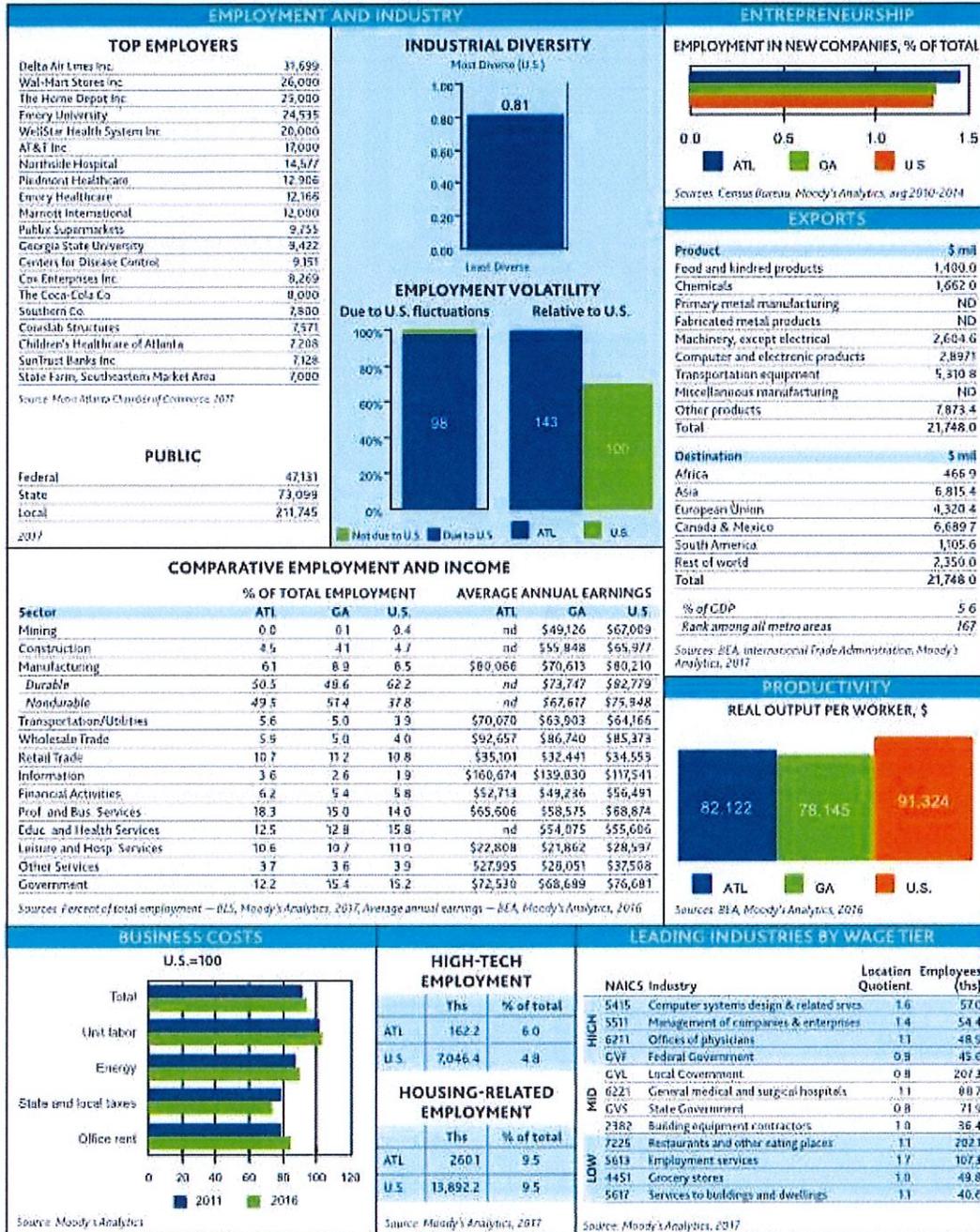
Data Bufile# MSA code: IUSA_MATL

| <p>ECONOMIC DRIVERS</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> LOGISTICS </div> <div style="text-align: center;"> HEALTH TECH </div> </div> | <p>EMPLOYMENT GROWTH RANK</p> <table style="width: 100%; text-align: center;"> <tr> <td style="border: 1px solid black;">2017-2019 114 2nd quintile</td> <td style="border: 1px solid black;">2017-2022 106 2nd quintile</td> </tr> <tr> <td colspan="2" style="font-size: x-small;">Best=1, Worst=402</td> </tr> </table> | 2017-2019 114 2nd quintile | 2017-2022 106 2nd quintile | Best=1, Worst=402 | | <p>RELATIVE COSTS</p> <table style="width: 100%; text-align: center;"> <tr> <td style="border: 1px solid black;">LIVING 102%</td> <td style="border: 1px solid black;">BUSINESS 93%</td> </tr> <tr> <td colspan="2" style="font-size: x-small;">U.S.=100%</td> </tr> </table> | LIVING 102% | BUSINESS 93% | U.S.=100% | | <p>VITALITY</p> <table style="width: 100%; text-align: center;"> <tr> <td style="border: 1px solid black;">RELATIVE 126%</td> <td style="border: 1px solid black;">RANK 32</td> </tr> <tr> <td colspan="2" style="font-size: x-small;">U.S.=100% Best=1, Worst=403</td> </tr> </table> | RELATIVE 126% | RANK 32 | U.S.=100% Best=1, Worst=403 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|---|--|---------|--|-----------------------|------------------------|-----------|---------|---|-------------------------|-------------------|-----------------------------|------|------|------|------|------|--|--|--|--|-------|-------|-------|-------|-------|-------|---------------------------------|-------|-------|-------|-------|-------|-------|-----|-----|-----|-----|-----|-----|----------|-----|-----|-----|-----|-----|-----|---------|---------|---------|---------|---------|---------|------------------------|---------|---------|---------|---------|---------|---------|-----|-----|-----|-----|-----|-----|----------|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|-----------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|----------------------------|-----|-----|-----|-----|-----|-----|------|------|------|------|------|------|----------------------------------|------|------|------|------|------|------|---------|---------|---------|---------|---------|---------|------------------|---------|---------|---------|---------|---------|---------|-----|-----|-----|-----|-----|-----|----------|-----|-----|-----|-----|-----|-----|-----|-----|------|------|------|------|---------------------|------|------|------|------|------|------|-------|--------|--------|--------|--------|--------|---------------------------|--------|--------|--------|--------|--------|--------|-------|-------|-------|--------|--------|-------|-------------------------|--------|--------|--------|--------|--------|--------|-------|-------|-------|-------|-------|-------|-------------------------------|-------|-------|-------|-------|-------|-------|
| 2017-2019 114 2nd quintile | 2017-2022 106 2nd quintile | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Best=1, Worst=402 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| LIVING 102% | BUSINESS 93% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| U.S.=100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RELATIVE 126% | RANK 32 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| U.S.=100% Best=1, Worst=403 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>BUSINESS CYCLE STATUS</p> | | <p>ANALYSIS</p> <p>Recent Performance. Atlanta-Sandy Springs-Roswell is a leader in job growth in the South. The large concentration of office-using industries is posting the best gains. Professional services lead the way. Tech is slowly emerging from its prior swoon. Construction activity remains strong as well, matching its 2014 pace, with hiring especially robust in nonresidential projects. Logistics is on a five-year impressive streak, adding more than 34,000 jobs since early 2014. Average hourly earnings growth is surging at the fastest pace in two years.</p> <p>Pros and cons. ATL's outside private services industries will weather an array of hurdles in the next 12 months and will best the U.S. in growth. Despite rising costs, ATL remains relatively affordable for businesses to expand. Education/healthcare and hospitality—one-third of private services—will lead the way thanks to ATL's strong demographics, and office services—another one-third—will strengthen as steady inflows of job seekers help mitigate shortages. ATL's net migration has averaged nearly 50,000 residents per annum during the past five years, with in-migrants accounting for nearly 60% of local population gains. However, stricter immigration policies will limit H-1B visa worker arrivals, which have constituted a larger share of in-migration in recent years. That will put prior robust job gains in private services out of reach. The large private services cluster will still achieve growth of about 2% in 2019, which falls short of the expectations for regional competitors Dallas, Houston, Austin, Miami and Charlotte.</p> <p>Logistics and more. Boasting Hartsfield-Jackson Atlanta International Airport—the world's busiest—bodes well for ATL's economy. More than 104 million passengers traveled through the airport in 2017, directly supporting some 63,000 jobs and aiding local retailers, hotels and restaurants. Higher incomes, more travelers—mostly on business—and larger cargo</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>STRENGTHS & WEAKNESSES</p> <p>STRENGTHS</p> <ul style="list-style-type: none"> • Diverse economy • Distribution and cultural center • Business-friendly environment • Strong demographics, including a large pool of talent and healthy net migration <p>WEAKNESSES</p> <ul style="list-style-type: none"> • Strained infrastructure after years of strong growth and underinvestment • Heavy dependence on transportation raises cyclical volatility | | <p>HOUSING. ATL's housing market gains will be constrained by supply-demand mismatches. Limiting near-term gains. The metro area boasts a large pool of young renters, who usually turn into first-time homebuyers, but house price appreciation for single-family units—north of 5% year over year since late 2012—is among the fastest in the South. One reason is that the recovery in single-family homebuilding has been slow and focused on high-priced homes. Limiting the supply of affordable housing. Meanwhile, developers of multifamily rentals see the prospect of millennial renters becoming homeowners and are curtailing their construction projects. Multifamily building permits were strong earlier this year, rebounding from their 2017 swoon, but have softened lately and will do only marginally better in 2019.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>FORECAST RISKS</p> <table style="width: 100%; text-align: center;"> <tr> <td style="width: 50%;">SHORT TERM </td> <td style="width: 50%;">LONG TERM </td> </tr> </table> <p>RISK EXPOSURE 2018-2023 83 2nd quintile (highest=1 lowest=403)</p> <p>UPSIDE</p> <ul style="list-style-type: none"> • Better mix of jobs fuels faster income growth and bigger spending gains • State government is more willing to leverage its strong fiscal position. <p>DOWNSIDE</p> <ul style="list-style-type: none"> • Overly congested parts of the metro area hinder efficiency and growth • Stricter immigration policy hurts in-migration of H-1B visa workers | | SHORT TERM | LONG TERM | <p>Atlanta-Sandy Springs-Roswell will strengthen through mid-2019 as demand lifts private services. Most industries will fall short of their earlier gains but will best the U.S. average. Higher incomes and a growing number of business travelers are large pluses. Longer term, an educated workforce, steady in-migration, and other assets such as a well-established logistics hub will enable ATL to outperform Georgia and the U.S. in both job and income gains.</p> <p style="font-size: x-small;">The Flys November 2018</p> <p style="text-align: right; font-size: x-small;">1-866-275-3266 help@ecoa.com</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SHORT TERM | LONG TERM | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>MOODY'S RATING</p> <p style="font-size: 2em; font-weight: bold; text-align: center;">Aaa</p> <p style="text-align: center; font-size: small;">COUNTY AS OF MAY 02, 2018</p> | | <table border="1" style="width: 100%; border-collapse: collapse; font-size: x-small;"> <thead> <tr> <th colspan="2"></th> <th colspan="2">INDICATORS</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>2012</td> <td>2013</td> <td>2014</td> <td>2015</td> <td>2016</td> <td>2017</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>260.9</td> <td>266.1</td> <td>277.2</td> <td>286.8</td> <td>299.7</td> <td>308.9</td> <td>Gross metro product (C09\$ bil)</td> <td>321.2</td> <td>334.9</td> <td>341.7</td> <td>352.8</td> <td>365.9</td> <td>377.3</td> </tr> <tr> <td>1.3</td> <td>2.0</td> <td>4.2</td> <td>3.5</td> <td>4.5</td> <td>3.1</td> <td>% change</td> <td>4.0</td> <td>4.3</td> <td>2.1</td> <td>3.2</td> <td>3.7</td> <td>3.1</td> </tr> <tr> <td>2,353.9</td> <td>2,413.8</td> <td>2,502.6</td> <td>2,581.4</td> <td>2,664.4</td> <td>2,724.6</td> <td>Total employment (ths)</td> <td>2,776.5</td> <td>2,831.0</td> <td>2,850.3</td> <td>2,846.8</td> <td>2,879.8</td> <td>2,911.6</td> </tr> <tr> <td>1.8</td> <td>2.5</td> <td>3.7</td> <td>3.1</td> <td>3.2</td> <td>2.3</td> <td>% change</td> <td>1.9</td> <td>2.0</td> <td>0.7</td> <td>-0.1</td> <td>1.2</td> <td>1.1</td> </tr> <tr> <td>8.8</td> <td>7.8</td> <td>6.7</td> <td>5.7</td> <td>5.1</td> <td>4.5</td> <td>Unemployment rate (%)</td> <td>3.9</td> <td>4.0</td> <td>5.1</td> <td>5.9</td> <td>6.0</td> <td>6.1</td> </tr> <tr> <td>2.4</td> <td>1.6</td> <td>8.2</td> <td>6.4</td> <td>4.7</td> <td>5.0</td> <td>Personal income growth (%)</td> <td>3.9</td> <td>4.8</td> <td>4.1</td> <td>4.0</td> <td>5.2</td> <td>5.0</td> </tr> <tr> <td>55.1</td> <td>55.9</td> <td>57.4</td> <td>59.7</td> <td>62.6</td> <td>64.0</td> <td>Median household income (\$ ths)</td> <td>64.9</td> <td>66.4</td> <td>67.9</td> <td>69.4</td> <td>71.4</td> <td>73.4</td> </tr> <tr> <td>5,451.6</td> <td>5,517.0</td> <td>5,605.1</td> <td>5,702.3</td> <td>5,795.7</td> <td>5,884.7</td> <td>Population (ths)</td> <td>5,992.6</td> <td>6,115.3</td> <td>6,244.4</td> <td>6,372.3</td> <td>6,489.9</td> <td>6,604.0</td> </tr> <tr> <td>1.5</td> <td>1.2</td> <td>1.6</td> <td>1.7</td> <td>1.6</td> <td>1.5</td> <td>% change</td> <td>1.8</td> <td>2.1</td> <td>2.1</td> <td>2.0</td> <td>1.8</td> <td>1.8</td> </tr> <tr> <td>371</td> <td>279</td> <td>49.8</td> <td>59.6</td> <td>57.4</td> <td>53.7</td> <td>Net migration (ths)</td> <td>72.9</td> <td>88.2</td> <td>94.5</td> <td>93.8</td> <td>84.0</td> <td>81.0</td> </tr> <tr> <td>9,182</td> <td>14,864</td> <td>16,384</td> <td>19,995</td> <td>23,100</td> <td>24,973</td> <td>Single-family permits (#)</td> <td>26,724</td> <td>29,518</td> <td>30,785</td> <td>36,324</td> <td>40,473</td> <td>40,937</td> </tr> <tr> <td>5,213</td> <td>9,473</td> <td>9,699</td> <td>10,347</td> <td>13,257</td> <td>8,859</td> <td>Multifamily permits (#)</td> <td>11,320</td> <td>11,551</td> <td>13,601</td> <td>14,773</td> <td>17,484</td> <td>19,260</td> </tr> <tr> <td>134.9</td> <td>143.1</td> <td>156.8</td> <td>168.9</td> <td>181.5</td> <td>196.7</td> <td>FHFA house price (1995Q1=100)</td> <td>213.4</td> <td>220.2</td> <td>224.7</td> <td>229.2</td> <td>234.7</td> <td>242.1</td> </tr> </tbody> </table> | | | | INDICATORS | | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | | | | | 260.9 | 266.1 | 277.2 | 286.8 | 299.7 | 308.9 | Gross metro product (C09\$ bil) | 321.2 | 334.9 | 341.7 | 352.8 | 365.9 | 377.3 | 1.3 | 2.0 | 4.2 | 3.5 | 4.5 | 3.1 | % change | 4.0 | 4.3 | 2.1 | 3.2 | 3.7 | 3.1 | 2,353.9 | 2,413.8 | 2,502.6 | 2,581.4 | 2,664.4 | 2,724.6 | Total employment (ths) | 2,776.5 | 2,831.0 | 2,850.3 | 2,846.8 | 2,879.8 | 2,911.6 | 1.8 | 2.5 | 3.7 | 3.1 | 3.2 | 2.3 | % change | 1.9 | 2.0 | 0.7 | -0.1 | 1.2 | 1.1 | 8.8 | 7.8 | 6.7 | 5.7 | 5.1 | 4.5 | Unemployment rate (%) | 3.9 | 4.0 | 5.1 | 5.9 | 6.0 | 6.1 | 2.4 | 1.6 | 8.2 | 6.4 | 4.7 | 5.0 | Personal income growth (%) | 3.9 | 4.8 | 4.1 | 4.0 | 5.2 | 5.0 | 55.1 | 55.9 | 57.4 | 59.7 | 62.6 | 64.0 | Median household income (\$ ths) | 64.9 | 66.4 | 67.9 | 69.4 | 71.4 | 73.4 | 5,451.6 | 5,517.0 | 5,605.1 | 5,702.3 | 5,795.7 | 5,884.7 | Population (ths) | 5,992.6 | 6,115.3 | 6,244.4 | 6,372.3 | 6,489.9 | 6,604.0 | 1.5 | 1.2 | 1.6 | 1.7 | 1.6 | 1.5 | % change | 1.8 | 2.1 | 2.1 | 2.0 | 1.8 | 1.8 | 371 | 279 | 49.8 | 59.6 | 57.4 | 53.7 | Net migration (ths) | 72.9 | 88.2 | 94.5 | 93.8 | 84.0 | 81.0 | 9,182 | 14,864 | 16,384 | 19,995 | 23,100 | 24,973 | Single-family permits (#) | 26,724 | 29,518 | 30,785 | 36,324 | 40,473 | 40,937 | 5,213 | 9,473 | 9,699 | 10,347 | 13,257 | 8,859 | Multifamily permits (#) | 11,320 | 11,551 | 13,601 | 14,773 | 17,484 | 19,260 | 134.9 | 143.1 | 156.8 | 168.9 | 181.5 | 196.7 | FHFA house price (1995Q1=100) | 213.4 | 220.2 | 224.7 | 229.2 | 234.7 | 242.1 |
| | | INDICATORS | | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 260.9 | 266.1 | 277.2 | 286.8 | 299.7 | 308.9 | Gross metro product (C09\$ bil) | 321.2 | 334.9 | 341.7 | 352.8 | 365.9 | 377.3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.3 | 2.0 | 4.2 | 3.5 | 4.5 | 3.1 | % change | 4.0 | 4.3 | 2.1 | 3.2 | 3.7 | 3.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2,353.9 | 2,413.8 | 2,502.6 | 2,581.4 | 2,664.4 | 2,724.6 | Total employment (ths) | 2,776.5 | 2,831.0 | 2,850.3 | 2,846.8 | 2,879.8 | 2,911.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.8 | 2.5 | 3.7 | 3.1 | 3.2 | 2.3 | % change | 1.9 | 2.0 | 0.7 | -0.1 | 1.2 | 1.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8.8 | 7.8 | 6.7 | 5.7 | 5.1 | 4.5 | Unemployment rate (%) | 3.9 | 4.0 | 5.1 | 5.9 | 6.0 | 6.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.4 | 1.6 | 8.2 | 6.4 | 4.7 | 5.0 | Personal income growth (%) | 3.9 | 4.8 | 4.1 | 4.0 | 5.2 | 5.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 55.1 | 55.9 | 57.4 | 59.7 | 62.6 | 64.0 | Median household income (\$ ths) | 64.9 | 66.4 | 67.9 | 69.4 | 71.4 | 73.4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5,451.6 | 5,517.0 | 5,605.1 | 5,702.3 | 5,795.7 | 5,884.7 | Population (ths) | 5,992.6 | 6,115.3 | 6,244.4 | 6,372.3 | 6,489.9 | 6,604.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.5 | 1.2 | 1.6 | 1.7 | 1.6 | 1.5 | % change | 1.8 | 2.1 | 2.1 | 2.0 | 1.8 | 1.8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 371 | 279 | 49.8 | 59.6 | 57.4 | 53.7 | Net migration (ths) | 72.9 | 88.2 | 94.5 | 93.8 | 84.0 | 81.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9,182 | 14,864 | 16,384 | 19,995 | 23,100 | 24,973 | Single-family permits (#) | 26,724 | 29,518 | 30,785 | 36,324 | 40,473 | 40,937 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5,213 | 9,473 | 9,699 | 10,347 | 13,257 | 8,859 | Multifamily permits (#) | 11,320 | 11,551 | 13,601 | 14,773 | 17,484 | 19,260 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 134.9 | 143.1 | 156.8 | 168.9 | 181.5 | 196.7 | FHFA house price (1995Q1=100) | 213.4 | 220.2 | 224.7 | 229.2 | 234.7 | 242.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

PRÉCIS® U.S. METRO • Atlanta-Sandy Springs-Roswell GA



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LEADING INDUSTRIES BY WAGE TIER

| NAICS Industry | Location Quotient | Employees (ths) |
|---|-------------------|-----------------|
| 5415 Computer systems design & related svcs | 1.6 | 57.0 |
| 5511 Management of companies & enterprises | 1.4 | 54.4 |
| 6221 Offices of physicians | 1.1 | 48.9 |
| C97 Federal Government | 0.8 | 45.6 |
| C91 Local Government | 0.8 | 207.3 |
| 6221 General medical and surgical hospitals | 1.1 | 88.7 |
| C95 State Government | 0.8 | 71.9 |
| 2382 Building equipment contractors | 1.0 | 36.4 |
| 7225 Restaurants and other eating places | 1.1 | 202.1 |
| 5613 Employment services | 1.7 | 107.3 |
| 4451 Grocery stores | 1.0 | 49.8 |
| 5617 Services to buildings and dwellings | 1.1 | 40.6 |

Source: Moody's Analytics, 2017

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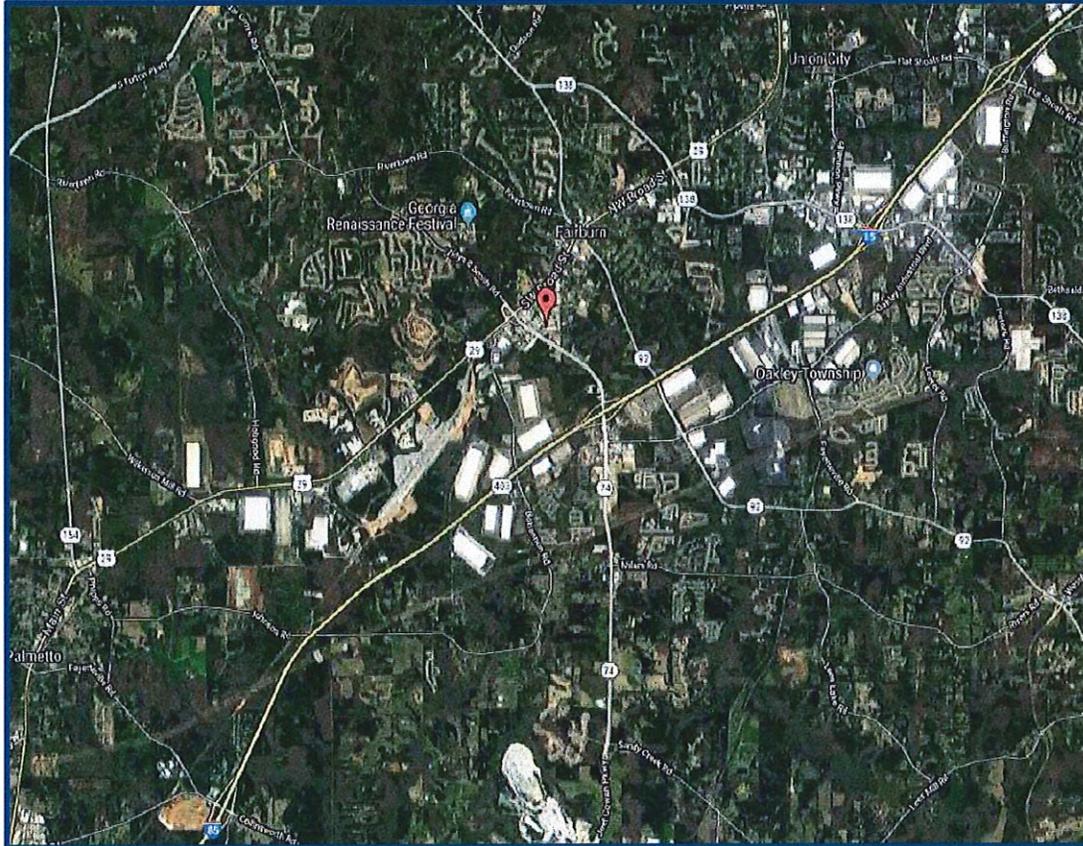


Conclusions

Atlanta's economy continues to expand. Several highlights from the preceding Moody's analysis include:

- Broad-based and above-average growth in recent years has resulted in Atlanta being one of the economically healthiest large metro areas in the nation.
- Strong job gains are higher than those nationally.
- Employment opportunities in professional services, financial technology, healthcare and construction are fueling a faster rise in the labor force.
- The movie and television production industry is thriving around Atlanta. Cinema South Studios plans to build in Fayette County.
- The relocation of corporate headquarters to the metro area, including heavyweights such as State Farm, Porsche and Mercedes Benz, along with Boeing's recently opened research center at Georgia Tech, has served as a magnet in attracting high-skilled workers, making for a more vibrant labor force.
- As the region's major transportation/distribution hub, Metro Atlanta benefits from increased containerized sea trade.
- Hartsfield-Jackson International Airport remains one of the busiest in the nation, so air transport is also thriving.
- Commercial and residential construction remains strong as builders accommodate robust residential and commercial demand.
- House price increases have been among the strongest in the Southeast, but affordability is becoming an issue.
- Atlanta has a strong dependence on the transportation industry which can be cyclical.
- SunTrust Park, the new home for the Atlanta Braves, and Mercedes-Benz Stadium, the new home for the Falcons, have continued the City's attractiveness for entertainment. Atlanta's new professional soccer team, Atlanta United, won the 2018 MLS Championship Cup.

City and Neighborhood Analysis



Neighborhood Location and Boundaries

The subject neighborhood includes properties located in both incorporated Fairburn and unincorporated Fulton County and the north section of the City of Fairburn. The neighborhood boundaries comprise the area surrounding the interchange of Interstate 85 and Highway 74 and the intersection of Highway 74 with Highway 29.

Demographics

The following table depicts the area demographics within a one-, three-, and five-mile radius from the subject property.

Market Profile

98 Howell Avenue
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 33.55606
Longitude: -84.58681

| | 1 mile | 3 miles | 5 miles |
|--------------------------------|-----------|-----------|-----------|
| Population Summary | | | |
| 2000 Total Population | 1,109 | 11,734 | 30,739 |
| 2010 Total Population | 1,866 | 24,342 | 58,078 |
| 2018 Total Population | 2,046 | 27,803 | 68,497 |
| 2018 Group Quarters | 3 | 80 | 166 |
| 2023 Total Population | 2,237 | 30,012 | 74,006 |
| 2018-2023 Annual Rate | 1.80% | 1.54% | 1.56% |
| 2018 Total Daytime Population | 4,316 | 28,783 | 60,009 |
| Workers | 3,083 | 13,457 | 23,046 |
| Residents | 1,233 | 15,326 | 36,963 |
| Household Summary | | | |
| 2000 Households | 425 | 4,218 | 11,623 |
| 2000 Average Household Size | 2.61 | 2.76 | 2.63 |
| 2010 Households | 737 | 8,671 | 21,515 |
| 2010 Average Household Size | 2.53 | 2.80 | 2.69 |
| 2018 Households | 819 | 9,876 | 25,120 |
| 2018 Average Household Size | 2.49 | 2.81 | 2.72 |
| 2023 Households | 892 | 10,622 | 26,998 |
| 2023 Average Household Size | 2.51 | 2.82 | 2.73 |
| 2018-2023 Annual Rate | 1.72% | 1.47% | 1.45% |
| 2010 Families | 491 | 5,876 | 14,619 |
| 2010 Average Family Size | 3.11 | 3.42 | 3.29 |
| 2018 Families | 544 | 6,670 | 17,000 |
| 2018 Average Family Size | 3.07 | 3.43 | 3.32 |
| 2023 Families | 594 | 7,187 | 18,310 |
| 2023 Average Family Size | 3.07 | 3.44 | 3.34 |
| 2018-2023 Annual Rate | 1.77% | 1.50% | 1.50% |
| Housing Unit Summary | | | |
| 2000 Housing Units | 479 | 4,502 | 12,431 |
| Owner Occupied Housing Units | 50.3% | 58.8% | 59.0% |
| Renter Occupied Housing Units | 38.2% | 34.9% | 34.5% |
| Vacant Housing Units | 11.5% | 6.3% | 6.5% |
| 2010 Housing Units | 1,007 | 10,114 | 24,740 |
| Owner Occupied Housing Units | 38.9% | 52.1% | 55.1% |
| Renter Occupied Housing Units | 34.3% | 33.6% | 31.9% |
| Vacant Housing Units | 26.8% | 14.3% | 13.0% |
| 2018 Housing Units | 1,034 | 10,995 | 27,598 |
| Owner Occupied Housing Units | 47.4% | 56.6% | 58.9% |
| Renter Occupied Housing Units | 31.8% | 33.2% | 32.2% |
| Vacant Housing Units | 20.8% | 10.2% | 9.0% |
| 2023 Housing Units | 1,075 | 11,521 | 29,189 |
| Owner Occupied Housing Units | 51.2% | 59.4% | 61.4% |
| Renter Occupied Housing Units | 31.8% | 32.8% | 31.1% |
| Vacant Housing Units | 17.0% | 7.8% | 7.5% |
| Median Household Income | | | |
| 2018 | \$54,091 | \$51,385 | \$51,293 |
| 2023 | \$60,997 | \$54,963 | \$54,811 |
| Median Home Value | | | |
| 2018 | \$187,398 | \$159,069 | \$168,921 |
| 2023 | \$221,835 | \$183,382 | \$190,119 |
| Per Capita Income | | | |
| 2018 | \$27,424 | \$22,136 | \$23,897 |
| 2023 | \$31,457 | \$24,579 | \$26,705 |
| Median Age | | | |
| 2010 | 34.2 | 31.0 | 32.0 |
| 2018 | 35.1 | 32.4 | 33.5 |
| 2023 | 34.8 | 32.5 | 33.7 |

As noted, nominal growth is anticipated to occur within a one-, three- and five-mile radius of the subject. Median Household Income is anticipated to increase within a one-, three- and five-mile radius.

Transportation Access

Major travel and commuter routes within the area of the subject include:

- Interstate 85 in a north-south direction
- US Highway 29 in a southwest to northeast direction
- SR 74 in a northwest to southeast direction

US Highway 29 and Highway 74 are primary connector routes that intersects Interstate 85 and Fulton Industrial Parkway and are primary connector routes that intersects I-85. SR 74 provides full interchange access to Interstate 85. Overall, the subject neighborhood is provided with average linkage-access to the Atlanta MSA.

Neighborhood Land Use

An aerial view of the immediate subject neighborhood is presented:



As illustrated, the immediate subject neighborhood is suburban submarket dominated by established industrial uses oriented around the interchange of Highway 74 and Interstate 85. The industrial development consists of established uses developed primarily in the 1980s-1990s. There has been substantive recent industrial construction-development in the last several years with several large distribution centers coming online in the immediate neighborhood. Industrial uses include a variety of distribution centers, manufacturing and service facilities. One of the largest is the Material in Motion distribution center located south of the subject site.

There is also a larger container off-loading facility south of the subject that is served by a large rail terminal. Much of the new construction is comprised of buildings over 100,000 square feet and as such, the land sales in the area are mostly larger tracts of 10-50 acres.

Conclusions

Overall, the subject neighborhood is in the growth stage of the life cycle. The area is an established, suburban submarket with a nominally growing population base and a lower- to middle-income demographic profile. The outlook for the subject's neighborhood is one of cautious optimism for continued industrial growth.

Section 5 – Local Government Requirements

Zoning

The subject property is zoned M-2, Heavy Industrial District, within the City of Fairburn. Specific restrictions regarding this zoning classification have been retained in our files. The subject property appears to conform to the current zoning designation or is a legal, non-conforming use. The City of Fairburn Land Use Map designates the subject as industrial property in the future.

Taxes

The property taxes are fully reimbursed to the owner by the tenant. The current tax appraised values, tax assessment and taxes for the subject property are summarized as follows:

| | | |
|---------------------------------------|---|------------|
| | | |
| Year of Tax Valuation: | | 2018 |
| Tax Assessor Market Value Estimate: | | |
| Land | | \$395,000 |
| Improvements | + | 200,000 |
| Total Assessor Market Value Estimate: | | \$595,000 |
| Assessment Factor: | x | 0.40 |
| Assessed Value: | | \$238,000 |
| Millage Rate: | x | 0.03123 |
| Annual Taxes (RD): | | \$6,914 |
| Tax Liens: | | None Known |
| Taxes Paid: | | Yes |

Section 6 – Property Description Before Acquisition

Land

We refer the reader to the "Location Map" and "Tax Plat" included at the end of this section of the report; a survey was not provided.

On Site

| | |
|--------------------|--|
| Size: | 1.888 acre or 82,244.80 square feet (per R/W plans) |
| Shape: | Irregular |
| Frontage: | Howell Avenue: 203 +/- feet (per tax records) Fairburn Industrial Blvd: 485+/- feet |
| Depth: | 210± feet (per tax records) |
| Grade: | At road grade |
| Ground Cover: | Building footprint; concrete paving; landscaping |
| Topography: | Generally level |
| Soil Conditions: | No detrimental conditions observed or reported |
| Drainage: | Appears adequate |
| UST's/Septic Tank: | Assumed adequate |
| Flood Plain: | None noted |
| Easements: | No adverse easements noted; typical utility easements |

Off Site

| | |
|--------------------|------------------------------------|
| Utilities: | All public utilities are available |
| Access/Driveways: | Howell Avenue; One |
| Traffic Count: | N/A |
| Frontage/Exposure: | Average |
| Adjoining Uses: | Industrial |

Conclusion

The subject site has adequate size, average access and average frontage-exposure, being situated on a corner site.

TAX PLAT



Improvements

Our physical inspection revealed the subject improvements comprise an industrial building that was constructed in 1999 and has been recently renovated. The building has a two-story area (44' x 80') with 50% of the second floor being office and 50% being an open storage mezzanine. The property is an owner occupied property for a paving company.

We refer the reader to the "Building Sketch" included at the end of this section. "Subject Photographs" are included at the end of this section and in the Attachments section.

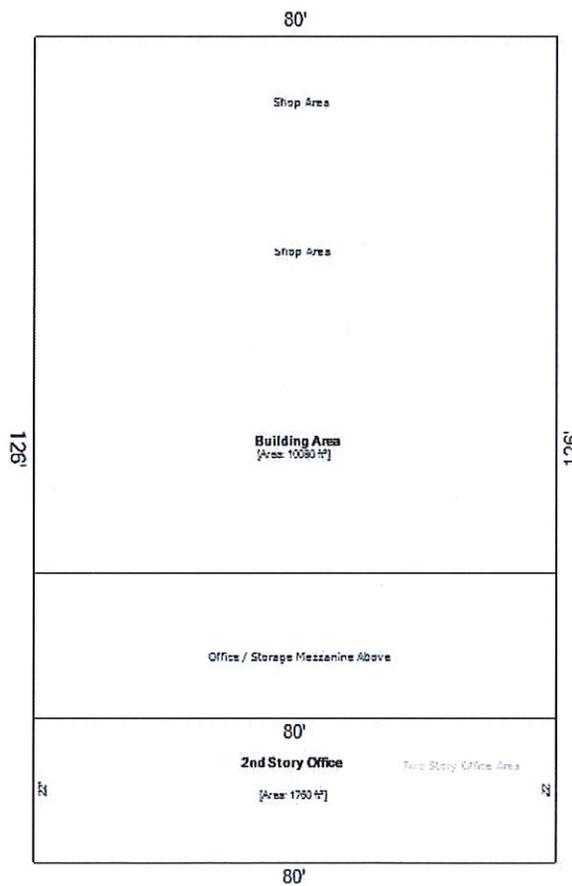
| | |
|-----------------------------|--|
| Gross Building Area: | 11,840 SF (based on appraiser measurements) |
| Rentable Area: | 11,840 SF (based on appraiser measurements) |
| Land-to-Building Ratio: | 6.95:1 (8.41: 1 based on building footprint) |
| Floor Area Ratio (FAR): | 0.12 |
| Total Parking Spaces/Ratio: | 29 paved spaces provided (1 space per 408 SF of GBA) plus 15 gravel spaces provided (outside fence for employees) |
| Year Built: | 1999 |
| Renovations: | 2018 |
| Actual Age: | 20 years |
| Effective Age: | 5 years |
| Typical Building Life: | 45 years |
| Remaining Economic Life: | 40 years |
| Structural: | Steel Frame |
| Construction Class: | Average Cost Class "S" per Marshall Valuation |
| Foundation: | Concrete Slab |
| Exterior Wall Finish: | Metal Panels |
| Windows: | Fixed Casement |
| Roof System: | Gable/ Metal Panels (12 skylights) |
| Interior Finishes: | Good (44% office build out) |
| Floors: | Carpet, composite and vinyl tile |
| Walls: | Painted drywall |
| Ceiling Finish: | Suspended Ceiling Panels |
| Fixed Equipment: | Typical cabinets in break room |
| Electrical: | Appears adequate |
| Plumbing: | Appears adequate |
| HVAC: | Appears adequate; zoned central systems |
| Fire Sprinklered: | No |
| Quality: | Average |
| Condition: | Good |
| Functional Utility: | Good |
| Deferred Maintenance | No significant deferred maintenance was noted upon inspection |
| Overall Rating: | Average |

Conclusions

Based on the physical inspection, the improvements are in good condition having been recently renovated and well maintained.

BUILDING SKETCH

Sketch



| Living Area | Area Calculation | | | |
|-------------------------------------|-----------------------------|------------------|---------------------|-----------------------|
| Building Area | 10080 ft ² | Building Area | 126' x 80' x 1.00 = | 10080 ft ² |
| 2nd Story Office | 1760 ft ² | 2nd Story Office | 80' x 22' x 1.00 = | 1760 ft ² |
| Total Living Area (rounded): | 11840 ft² | | | |

VIEW OF SUBJECT



VIEW OF SUBJECT-EMPLOYEE PARKING OUTSIDE FENCE



(Additional Subject Photographs included in the Attachments)

Section 7 – Description of Part Acquired

We refer the reader to the "Right-of-Way Plans" included in the Attachments section.

Rights to be Acquired

Fee Simple Right-of-Way
 Temporary Easement

Land

| | <u>Fee Simple</u> | <u>Permanent Easements</u> | <u>Temporary Easement</u> |
|--------------------------------------|-----------------------|----------------------------|---------------------------|
| Size (Square Feet): | 8,192.80 | 0.00 | 1,957.54 |
| Size (Acres): | 0.188 | 0.000 | 0.045 |
| Shape: | Irregular | N/A | Irregular |
| Frontage (Howell Avenue): | 210' +/- | N/A | 210' +/- |
| Frontage (Fairburn Industrial Blvd): | 485' +/- | N/A | N/A |
| Depth: | 480' +/- | N/A | N/A |
| Topography: | Mostly level | N/A | Mostly level |
| Grade: | At street grade | N/A | At street grade |
| Flood Plain / Wetlands: | None | N/A | None |
| Utilities: | All available | N/A | All available |
| Access: | Average | N/A | Average |
| On-Site Considerations: | Fence/ Automatic Gate | N/A | Fence/ Gate |
| Off-Site Considerations: | N/A | N/A | N/A |

Site Improvements

| <u>Designate as Follows</u> | <u>Designate As Follows (X)</u> | <u>Description</u> | <u>Condition</u> | <u>Size</u> | <u>SF or LF</u> |
|-----------------------------|---------------------------------|--------------------|------------------|-------------|-----------------|
| Asphalt Paving | X | Asphalt Paving | Avg | 500 | SF |

Section 8 – Impact of Acquisition on Remaining Property

| | Remainder <u>Left</u> | Remainder <u>Right</u> | Total <u>Remainder</u> |
|--------------------------------------|--------------------------|---------------------------|---------------------------|
| Size (SF): | 74,052.00 | 0.00 | 74,052.00 |
| Shape: | Unchanged | N/A | Unchanged |
| Topography: | Unchanged | N/A | Unchanged |
| Grade: | Unchanged | N/A | Unchanged |
| Access: | Angle of entry changed | N/A | Angle of entry changed |
| Exposure: | Unchanged | N/A | Unchanged |
| R/W distance from improvements: | Reduced | N/A | Reduced |
| Pavement distance from improvements: | Reduced | N/A | Reduced |
| Parking: | See remarks | N/A | See remarks |
| Describe cross sections: | Unchanged | N/A | Unchanged |
| Other: | See remarks | N/A | N/A |

Remarks

As a result of the acquisition, the following applicable issues were observed:

- R/W Distance from Improvements: Reduced
- Pavement Distance from Improvements: Reduced
- Parking: The employee parking outside the fence will be relocated to the inside of the fence and reduced from 15 spaces to 10.
- Equipment Parking: The parking area for trailers and equipment will be lost as it will be replaced with the employee parking cited above.
- Fencing & Gate: Without implementation of the cure, the fence and automatic gate will be lost to the project.
- Other: According to the engineer, the angle of entry into the site is changed slightly but will allow for large trucks to enter and maneuver into the site.

Section 9 – Description of Remainder After Acquisition

The new right-of-way and the new pavement will be closer to the existing building. Fifteen gravel parking spaces will be lost. Implementation of the cure addresses the loss of this parking but does not address the loss of area for yard storage/equipment and trailer parking.

Section 10 – Description of Remainder After Acquisition

See Section 8 and 9 comments.

Section 11 – Highest and Best Use

The “Highest and Best Use” of a property is defined as that logical, legal, and most probable use which will yield the greatest net income to the land over a sustained period of time. It is also that available use or program of probable future utilization, which produces the highest present land value.

The highest and best use analysis involves a consideration of four separate tests. The four primary considerations are the property's (1) physical constraints, (2) legally permitted uses, (3) financially feasible uses, and (4) the maximally productive use. Of the concluded possible uses, tests of feasibility are conducted, when necessary, and of the feasible uses, the one that produces the highest net return today is then concluded to be the highest and best use. A discussion of these issues follows.

Prior To Acquisition, If Vacant

Physically Possible

The subject site has adequate land area, shape and frontage for a variety of development options. All public utilities are available, including sewer.

Legally Permitted Uses

Zoning is an important factor in determining what type of development is legally permissible; however, it is not the only criteria. Other important factors can include restrictive building codes, deed restrictions or covenants, long-term leases, environmental regulations, land use plans, and reaction to development by local residents. While these factors have very little effect on the highest and best use of an existing development, they can substantially affect the highest and best use of vacant land.

The subject's zoning classification allows for a variety of industrial developments. Land uses fronting Howell Avenue and Fairburn Industrial Boulevard in the subject's immediate area comprise established industrial uses. The subject's legal characteristics point toward some type of industrial use, subject to zoning requirements.

Financially Feasible/Maximally Productive Use

An in-depth feasibility analysis is beyond the scope of this assignment. However, location is considered to be an important factor with regard to these two criteria. The immediate subject area is characterized by established heavy industrial uses with no substantive recent or planned developments noted.

Conclusion

After considering all factors, it is our opinion that the highest and best use of the subject, if vacant, is development with some type of industrial use that would be consistent with land use patterns in the immediate submarket.

Prior To Acquisition, As Improved

Corollary to the definition of highest and best use is the premise that a property once committed to a certain use retains that use as its highest and best use until such a point in time when the improvements no longer contribute to overall property value. As documented in a following section, the existing improvements contribute over and above the underlying land value. The highest and best use of the subject property prior to acquisition, as improved, is continued use of the existing improvements.

Given the previous analysis, it is our opinion that the highest and best use of the subject property prior to acquisition, as improved, is continued industrial use.

After Acquisition, As Though Vacant

As mentioned previously and subsequently discussed, the remainder land will be reduced in size; however, the configuration and access-exposure would be retained. As such, it is our opinion that the remainder's highest and best use, as though vacant, will remain unchanged from the before situation, that being some type of industrial use.

After Acquisition, As Improved

In our opinion, there will be an interim impact on the remaining property as a result of the acquisition. Details of this situation are discussed in following sections. Given the issues involved, and with cure, it is our opinion that the remainder's highest and best use, as improved, will remain unchanged from the before situation.

Acquisition Area As An Independent Economic Unit

Because of the proposed acquisition's size, depth and shape, it is our opinion that the acquisition area is not a separate economic unit. The highest and best use of the proposed acquisition is as part of the subject from which it is acquired.

Section 12 – Valuation Before Acquisition

Appraisal Procedure

The valuation process is employed to develop a supportable estimate of the market value of the property appraised. It involves analyses of the property by utilizing specific appraisal procedures, which typically include the application of one or more of the traditional appraisal approaches--the sales comparison, income capitalization (income), and cost analyses (cost). One or more of these approaches is used in all estimations of value, depending on the type of property, the function of the appraisal, and the quality and quantity of data available for analysis.

The cost approach is based upon the principle of substitution, which states that a prudent purchaser would not pay more for a property than the amount required to purchase a similar site and construct similar improvements without undue delay, producing a property of equal desirability and utility. This approach is particularly applicable when the improvements being appraised are relatively new or when the improvements are so specialized that there is little or no sales data from comparable properties.

The sales comparison approach involves the direct comparison of sales and listings of similar properties, adjusting for differences between the subject property and the comparable properties. This method can be useful for valuing general purpose properties or vacant land. For improved properties, it is particularly applicable when there is an active sales market for the property type being appraised – either by owner-users or investors.

The income capitalization approach is based on the principle of anticipation, or the assumption that value is created by the expectation of benefits to be derived in the future, such as expected future income flows. Its premise is that a prudent investor will pay no more for the property than he would for another investment of similar risk and cash flow characteristics. The income capitalization approach is widely used and relied upon in appraising income-producing properties, especially those for which there is an active investment sales market.

Approaches Employed

In the following analysis, the sales comparison approach was employed in the valuation of the land as though vacant. The sales comparison approach, income approach and the cost approach were employed in the valuation of the subject property as improved. As similar properties are typically owner-operated and are not constructed on speculation or for income-investment purposes, the income approach was not considered applicable and was not employed in this analysis.

Land Valuation

The valuation of the land is based on the sales comparison approach. This approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same utility. In the sales comparison approach, the opinion of market value is based on analyzing closed sales, listings, or pending sales of properties similar to the subject property, using the most relevant units of comparison. The comparative analysis focuses on the difference between the comparable sales and the subject property using all appropriate elements of comparison.

A systematic procedure for applying the sales comparison approach includes the following steps: (1) researching and verifying transactional data, (2) selecting relevant units of comparison, (3) analyzing and adjusting the comparable sales for differences in various elements of comparison, and (4) reconciling the adjusted sales into a value indication for the subject land.

All of the sales were analyzed, and adjustments have been made for differences in the various elements of comparison related to rights conveyed, financing terms, conditions of sale, market conditions, and for physical differences. The comparable sales were adjusted to the subject; if the comparable sale was superior to the subject, a negative adjustment was applied. A positive adjustment was applied to the comparable property if it was considered inferior to the subject.

Unit of Comparison

The unit of comparison depends on land use economics and how the market analyzes the property. The unit of comparison in this analysis is based on the price per square foot of land area.

Elements of Comparison

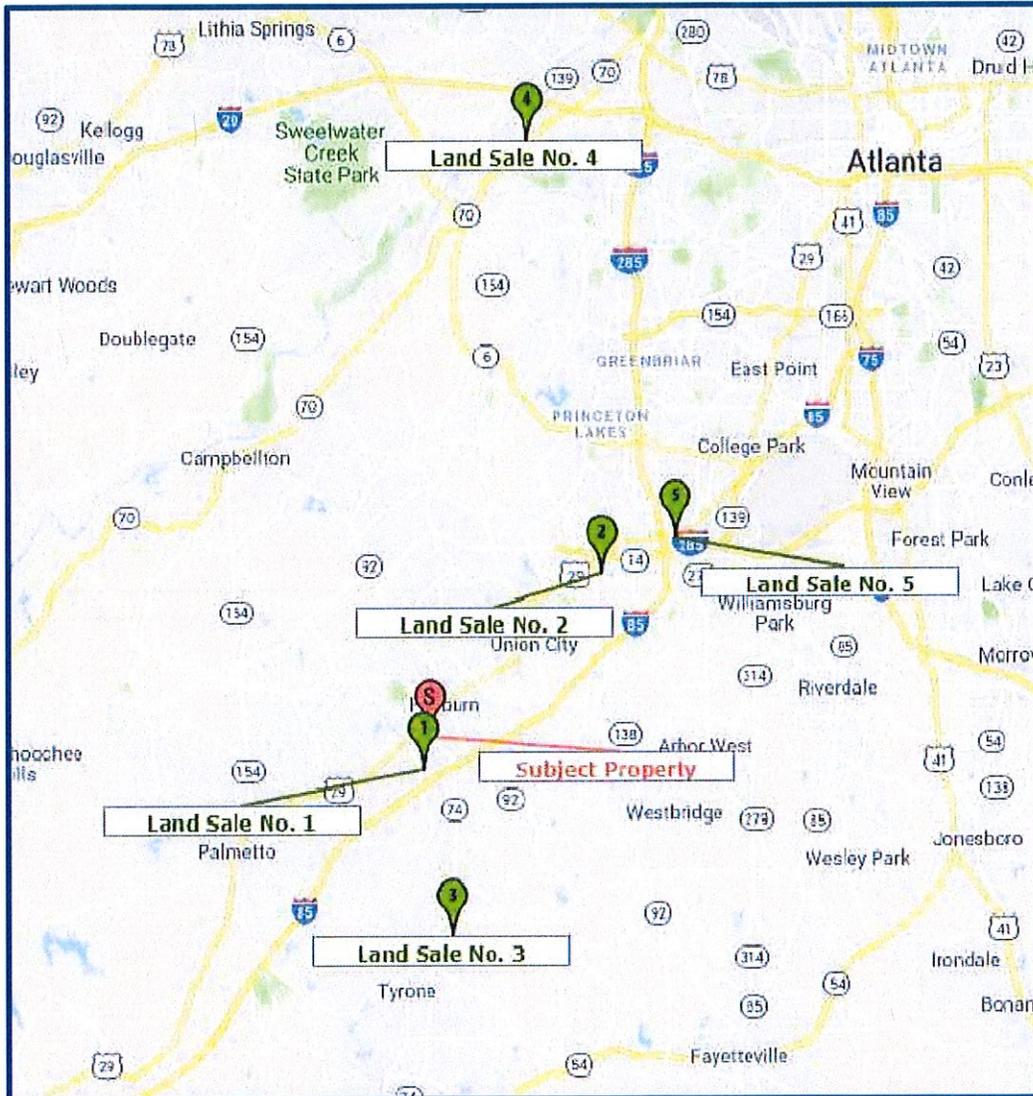
Elements of comparison are the characteristics of properties and transactions that cause the prices of real estate to vary. The main elements of comparison in sales comparison analysis are as follows: (1) real property rights conveyed; (2) financing terms; (3) conditions of sale; (4) expenditures made immediately after purchase; (5) market conditions; (6) location; (7) physical characteristics; and (8) zoning/use.

Comparable Sales Data

Sales data derives from a search of data sources and public records and interviews with knowledgeable real estate professionals. The comparable sales presented in our land valuation analysis are judged the most useful in developing an opinion of the subject land value.

The comparable land sales are detailed in the Attachments section and are summarized and mapped on the following page. Following these is a qualitative adjustment grid followed by a discussion of the applicable adjustments.

| No. | Location/Address | Sale Date | Sale Price | Acres | Size/SF | \$/AC | \$/SF |
|-----|-----------------------------|-----------|-------------|-------|---------|-----------|---------------|
| 1 | Bohannon Road | Oct-18 | \$2,056,000 | 15.82 | 689,119 | \$129,962 | \$2.98 |
| 2 | 3800 Naturally Fresh Blvd | Jul-17 | \$1,117,200 | 8.95 | 389,862 | \$124,827 | \$2.87 |
| 3 | 1540 Senoia Road | Dec-18 | \$147,500 | 1.61 | 70,132 | \$91,615 | \$2.10 |
| 4 | 4785 Fulton Industrial Blvd | Feb-17 | \$750,000 | 11.74 | 511,394 | \$63,884 | \$1.47 |
| 5 | 2844 Sullivan Road | Aug-16 | \$300,000 | 4.00 | 174,240 | \$75,000 | \$1.72 |

COMPARABLE LAND SALES MAP


| Element of Comparison | Subject | Sale 1 | Sale 2 | Sale 3 | Sale 4 | Sale 5 |
|------------------------------------|------------------|-----------------|---------------------------|--------------------|-----------------------------|--------------------|
| Address / Location | 98 Howell Avenue | Bohannon Road | 3800 Naturally Fresh Blvd | 1540 Senoia Road | 4785 Fulton Industrial Blvd | 2844 Sullivan Road |
| Sale Date | - | Oct-18 | Jul-17 | Dec-18 | Feb-17 | Aug-16 |
| Sale Price | - | \$2,056,000 | \$1,117,200 | \$147,500 | \$750,000 | \$300,000 |
| Size / SF | 82,244.80 | 689,119 | 389,862 | 70,132 | 511,394 | 174,240 |
| Price / SF | | \$2.98 | \$2.87 | \$2.10 | \$1.47 | \$1.72 |
| Intangible Adjustments | | | | | | |
| Rights Conveyed | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple |
| Financing | | Cash to seller | Cash to seller | Cash to seller | Cash to seller | Cash to seller |
| Conditions of Sale | | Arm's Length | Arm's Length | Arm's Length | Arm's Length | Arm's Length |
| Market Conditions | | None | Upward | Upward | Upward | Upward |
| Total Intangible Adjustment | | None | Upward | Upward | Upward | Upward |
| Tangible Adjustments | | | | | | |
| Location | Average | Similar | Similar | Inferior/Upward | Similar | Similar |
| Size / SF | 82,244.80 | Larger/ Upward | Larger/ Upward | Similar | Larger/Upward | Larger/Upward |
| Signalized Corner | No | Similar | Similar | Similar | Similar | Similar |
| Exposure / Visibility | Average | Inferior/Upward | Similar | Inferior/Upward | Inferior/Upward | Inferior/Upward |
| Topography | Mild slopes | Similar | Similar | Similar | Similar | Similar |
| Shape | Rectangular | Similar | Similar | Similar | Similar | Similar |
| Utilities | All Available | Similar | Similar | Similar | Similar | Similar |
| Zoning | M-1, Industrial | Similar | Similar | Superior/ Downward | Similar | Similar |
| Total Tangible Adjustment | | Upward | Upward | Upward | Upward | Upward |
| Net Adjustment | | Upward | Upward | Upward | Upward | Upward |

Each of the comparable land sales are transfers of fee simple interests at cash or cash equivalent prices, the transactions resulting from arms' length negotiations; accordingly, no adjustments were required for rights conveyed, financing, and conditions of sale. Several of the sales are dated transactions and an upward adjustment is applied for market conditions to those sales that occurred prior to 2018.

In the following analysis, only the applicable adjustments applied to the comparable sales are discussed.

Land Sale 1 is a 15.82-acre, 688,945 square foot tract that does not have road frontage on Bohannon Road but is accessed by an easement. The comparable is located south of the subject property behind a large distribution center. The land is generally level, at road grade and wooded. The land was acquired for expansion of an industrial facility in the area.

- Location: Comparable similarly located and no adjustment is required.
- Size: Comparable is larger than the subject requiring an upward adjustment.
- Exposure: Comparable is not located on a corner and an upward adjustment was required.

No other adjustments are warranted. In our opinion, the net adjustment is upward, indicating the subject land should be above the \$2.98 per square foot sale price.

Land Sale 2 is an 8.95-acre, 389,862 square foot tract located in the College Park area of Clayton County in a similar heavy industrial district. The site is a corner parcel accessed from both Naturally Fresh Boulevard and Port Boulevard South (a short dead end street). The land was a level, partially rough-graded site at the time of sale and was purchased for development of an industrial distribution center.

- Market Conditions: Comparable is a dated transaction warranting an upward adjustment.
- Location: Comparable is located in an area of similar industrial uses and no adjustment is required.
- Size: Comparable is larger than the subject requiring a slight upward adjustment.

In our opinion, the net adjustment is slightly upward, indicating the subject land should be above \$2.87 per square foot.

Land Sale 3 is a 1.61-acre, 70,132 square foot tract that is located in a small business park in Tyrone. The location is on a dead-end street. The site has a C-2, Commercial zoning however; the agent confirmed that the zoning allows for light industrial uses and the park has mostly light industrial uses with mostly metal buildings. The land is generally level, at road grade and cleared. It was purchased for development of an office warehouse.

- Market Conditions: Comparable is a dated transaction warranting an upward adjustment.
- Location: Comparable has an inferior location an upward adjustment is required.
- Exposure: Comparable is not located on a corner lot and an upward adjustment is required.
- Zoning: Comparable has a superior zoning classification which allows for commercial use as well as light industrial; a downward adjustment was warranted.

No other adjustments are warranted. In our opinion, the net adjustment is upward, indicating the subject land should be above the \$2.10 per square foot sale price.

Land Sale 4 is an 11.74-acre, 511,394 square foot tract situated at the signalized corner of Fulton Industrial Boulevard and Wharton Drive. The location is in a similar established industrial district in south Fulton County. The property has a minimal area within the flood zone which is located within the setback distance and does not impact the overall use of the site. The property was purchased for a large truck service facility.

- Market Conditions: Comparable is a dated transaction warranting an upward adjustment.
- Location: Comparable is located in an area of similar industrial development and no adjustment is required.
- Signalized Intersection: Comparable is at a signalized intersection and required a downward adjustment.
- Topography: the site has a gently rolling topography and was wooded when sold, therefore, an upward adjustment was required.

In our opinion, the net adjustment is upward, indicating the subject land should be above \$1.47 per square foot.

Land Sale 5 is a 4.00-acre, 174,240 square foot tract fronting Sullivan Road in the northeast quadrant of the interchange of Interstate 85 and Interstate 285 in southwest Atlanta. The comparable is located in the College Park area of Fulton County just east of I-85 in an area of recent development. Sullivan Road is a dead-end road west of Old National Highway. The land is a generally level, irregular shaped site acquired for the development of an industrial facility.

- Market Conditions: Comparable is a dated transaction and an upward adjustment is applied.
- Location: Comparable is located in an area of similar industrial development and no adjustment is required.
- Exposure: Comparable is not located on a corner lot and an upward adjustment is required.
- Size: Comparable is larger than the subject requiring a slight upward adjustment.

No other adjustments are warranted. In our opinion, the net adjustment is upward, indicating the subject land should be above \$1.72 per square foot.

Land Value Conclusion

The comparable land sales indicate *unadjusted prices* ranging from \$1.47 to \$2.98 per square foot. Based on the preceding analysis, it is our opinion that the subject's total land value, before acquisition, is calculated:

| Land Value Conclusion | |
|--------------------------|------------------|
| Size/SF: | 82,245 |
| Value per Square Foot: | x <u>\$3.25</u> |
| Total Land Value: | \$267,296 |

Property As Improved-Cost Approach

In the cost approach, we estimate replacement or reproduction costs of the improvements (including direct costs, indirect costs and entrepreneurial incentive), deduct all forms of depreciation (physical, functional and economic/external), and add land value to derive a value indication. In theory, an investor or buyer of real estate will not pay more for a property than the cost to replace or reproduce the property less any accrued depreciation plus payment of entrepreneurial incentive.

The cost approach incorporates five components: direct construction costs, entrepreneurial incentive, indirect costs, depreciation, and land value, we have listed below elements considered in each category.

Direct Construction Costs

Direct building costs include the basic gross hard costs, equipment costs (if applicable) and site improvements such as clearing and grading, landscaping, paving, sidewalks and curbs, exterior lighting, public works agreements, area connections, and similar items. Direct construction costs may

be estimated based on actual contracts and/or budgets, costs of comparable projects, or through cost estimating services.

Indirect Costs

Indirect costs include items such as professional fees (accounting, appraisal, architect, legal, engineering), interim financing (construction loan costs including points), points for placing permanent financing, settlement fees including title insurance and stamps, promotion and merchandising, and miscellaneous items including contingencies, out-of-pocket expenses and overhead.

Entrepreneurial Incentive

Entrepreneurial incentive reflects the amount an entrepreneur expects to receive for their contribution to a project. Entrepreneurial incentive may be distinguished from entrepreneurial profit (often called developer's profit) in that it is the expectation of future profit as opposed to the profit actually earned on a development or improvement.

Depreciation

There are three forms of depreciation which may affect a property; 1) physical depreciation which occurs due to normal wear and tear experienced during a property's life, 2) functional deprecation/obsolescence which occurs due to changing market standards such as building materials, design, ceiling height, layout and similar factors, and 3) external depreciation/obsolescence which occurs due to forces external to the property.

Land – Market Value Indication

Land value as developed within the land sales comparison approach is added to depreciated replacement costs to arrive at a value indication.

Direct Construction Costs

The first step of the cost approach analysis is to estimate the replacement or reproduction cost of the improvements.

In this approach we have employed replacement costs based on Marshall Valuation as actual construction costs for the subject property were not available. Replacement cost is the estimated cost to construct, at current prices as of the effective date, a building of equal utility to the subject using modern materials and current standards, design and layout. Replacement cost differs from reproduction costs in that it reflects the costs based on current market standards as opposed to costs to construct an exact duplicate using the same materials, construction standards, design, layout and quality, and includes all deficiencies, super adequacies and obsolescence.

A review of Marshall Valuation Service indicates the subject building is most similar to an Average Cost, Class S, Industrial Warehouse. According to Section 14, Pages 14 & 35, the base building cost is \$45.75 per square foot and the office build out cost is \$75.23 per square foot. Including refinements-multipliers, the replacement cost new estimate for the subject improvements per Marshall Valuation is summarized:

Marshall Valuation Replacement Cost Estimate

| | Industrial Building | Reference Information | |
|---------------------------|--------------------------------|------------------------------|----------|
| Base Replacement Cost | \$45.75 | Section | 14 |
| Area/Perimeter Multiplier | 1.025 | Page | 14 & 35 |
| Height Multiplier | <u>1.000</u> | Class | S |
| Adjusted Base Cost | \$46.89 | Cost Basis | Average |
| Current Cost Multiplier | 1.010 | Effective Date | 1/1/2019 |
| Local Cost Multiplier | <u>0.920</u> | | |
| Refined Base Cost | \$43.57 | | |

| | | | |
|--|-------------|------------------|--------------------|
| Building Cost | 11,840 SF @ | \$43.57 /SF = | \$515,869 |
| Additional Soft Costs (Interest Carry/Closing Costs) | | | <u>\$45,000</u> |
| Subtotal - Building Improvements | | | \$560,869 |
| Office Build Out | 5,280 | \$75.23 SF | <u>\$397,214</u> |
| | | <i>sub-total</i> | \$958,083 |
| Site Improvements: | | | |
| Site Work/Utilities/Excavation | | | \$75,000 |
| Concrete Paving-Parking | 10,000 SF @ | \$3.50 /SF = | \$35,000 |
| Gravel Parking | 35,000 SF @ | \$2.50 /SF = | \$87,500 |
| Landscaping/Signage/Fencing & Misc | | | <u>\$25,000</u> |
| Subtotal Site Improvements | | | \$222,500 |
| Total Replacement Cost New | | | \$1,180,583 |

Entrepreneurial Incentive

The replacement cost estimate does not include entrepreneurial incentive. Entrepreneurial incentive reflects payment for the risk the developer takes to construct a project similar to the subject. Although it is difficult to abstract directly from the market, conversations with investors-developers involved in construction-development of build-to-suit specialty property types typically anticipate profit margins ranging from 10.0% to 20.0% of costs based on income-investment trends. For this analysis, we have estimated entrepreneurial incentive at **15.0%** of direct and indirect costs.

Depreciation

The next step is to estimate depreciation applicable to the improvements. Depreciation can result from a number of factors including physical deterioration, functional inefficiencies and external/economic factors. The various forms of depreciation are discussed as follows:

Physical Depreciation - Curable

The subject improvements have been adequately maintained and are in average condition. No atypical deferred maintenance was noticed. Curable physical depreciation is estimated at **0.0%**.

Physical Depreciation - Incurable

Long-lived physical depreciation reflects depreciation to the various improvements. The main building improvements were originally constructed in 2000. The subject improvements have been adequately maintained over the years and are in average condition based on the physical inspection. The building improvements are estimated to have an effective age of 5 years, with the economic life estimated by *Marshall Valuation* at 40 years.

The site improvements are estimated to have an effective age of 10 years, with the economic life estimated by *Marshall Valuation* at 20 years.

Utilizing the straight-line depreciation method, the building improvements are depreciated by **12.5%** and the site improvements are depreciated by **50.0%**.

Functional Obsolescence

The subject property is similar to market standards and a typical improvement. No items of functional obsolescence are noted. Functional obsolescence is estimated at **0.0%**.

External/Economic Obsolescence

A review of sale price trends versus development costs for this property type indicates the subject property does not suffer from external/economic obsolescence. Economic obsolescence is reasonably estimated at **0.0%**.

Cost Approach Value Indication

The final step in the cost approach is the addition of the previously concluded land value. The as is market value indication by the cost approach is summarized:

Cost Approach Summary

| | | |
|--|------------------|--------------------|
| Building Improvements | | \$515,869 |
| Additional Soft Costs (Interest Carry/Closing Costs) | | \$45,000 |
| Office Build Out | | \$397,214 |
| Site Improvements | | \$222,500 |
| | <i>sub-total</i> | \$1,180,583 |
| Entrepreneurial Incentive | 15.0% | \$177,087 |
| Total Replacement Cost New: | | \$1,357,671 |
| <i>Less Accrued Depreciation</i> | | |
| Building Improvements & Incentive | 12.5% | (\$80,625) |
| Site Improvements & Incentive | 50.0% | (\$127,938) |
| Less Functional Obsolescence | 0.0% | \$0 |
| Less External Obsolescence | 0.0% | \$0 |
| Total Depreciation | | (\$208,562) |
| Total Depreciated Cost of Improvements: | | \$1,149,108 |
| Add Land Value | | \$267,296 |
| Indicated Prospective Market Value Upon Completion: | | \$1,416,404 |
| Rounded To: | | \$1,420,000 |

Property As Improved-Sales Comparison Approach

The valuation of the subject property as improved by the sales comparison approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same utility. In the sales comparison approach, the opinion of market value is based on analyzing closed sales, listings, or pending sales of properties similar to the subject property, using the most relevant units of comparison. The comparative analysis focuses on the difference between the comparable sales and the subject property using all appropriate elements of comparison.

Methodology

All of the sales were analyzed, and adjustments have been made for differences in the various elements of comparison adjustments related to rights conveyed, financing terms, conditions of sale, and market conditions. The comparable sales were adjusted to the subject; if the comparable sale was superior to the subject, a negative adjustment was applied. A positive adjustment was applied to the comparable property if it was considered inferior to the subject.

Unit of Comparison

The primary unit of comparison selected depends on the appraisal problem and nature of the property. For this analysis, we have placed emphasis on the sale price per square foot of building area, including land.

Elements of Comparison

Elements of comparison are the characteristics of properties and transactions that cause the prices of real estate to vary. The main elements of comparison in sales comparison analysis are as follows: (1) real property rights conveyed; (2) financing terms; (3) conditions of sale; (4) expenditures made immediately after purchase; (5) market conditions; (6) location; (7) physical characteristics; and (8) zoning/use.

Comparable Sales Data

A search of data sources and public records, a field survey, and interviews with knowledgeable real estate professionals was conducted. The comparable improved sales utilized in our analysis were judged to be the most useful in developing an opinion of the market value by the sales comparison approach.

The comparable improved sales analyzed are summarized and mapped on the following page, followed by a qualitative adjustment grid and a discussion of the applicable adjustments. We refer the reader to the Attachments section for details of the comparable sales.

| No. | Location/Address | Sale Date | Percentage Office | Sale Price | Bldg Size/RSF | Sale Price/SF | Adjusted Sale Price/RSF |
|----------------|------------------------|-----------|-------------------|-------------|---------------|-----------------|-------------------------|
| Subject | 98 Howell Avenue | | 44% | | 11,840 | n/a | n/a |
| 1 | 297 Fairburn Ind. Blvd | Nov-17 | 29% | \$1,150,000 | 7,800 | \$147.44 | \$92.69 |
| 2 | 100 Howell Avenue | Feb-19 | 19% | \$700,000 | 4,820 | \$145.23 | \$124.27 |
| 3 | 8105 Williams Road | Nov-18 | 36% | \$2,925,000 | 16,978 | \$172.28 | \$151.25 |
| 4 | 7735 Bishop Road | Aug-16 | 26% | \$1,600,000 | 10,000 | \$160.00 | \$139.00 |

COMPARABLE IMPROVED SALES MAP



An attempt was made to find comparable sales with similar land to building ratios for outside truck and equipment parking. The comparable sales used in the report are similar to the subject in that regard although all have higher land to building ratios than the subject. This requires an adjustment to each sale for excess land. The following grid illustrates both the unadjusted and adjusted sale price for each comparable.

| Sale | Necessary Land | | | | Value/SF | Total (Rd) |
|------|----------------|----------------------|-------------|------------|----------|------------|
| | Land Size | Based on Subject LBR | Excess Land | XS Land SF | | |
| 1 | 6.41 | 1.51 | 4.90 | 213,444 | \$2.00 | \$427,000 |
| 2 | 2.25 | 1.48 | 0.77 | 33,541 | \$3.00 | \$101,000 |
| 3 | 11.69 | 8.96 | 2.73 | 118,919 | \$3.00 | \$357,000 |
| 4 | 9.29 | 7.68 | 1.61 | 70,132 | \$3.00 | \$210,000 |

| Element of Comparison | Subject | Sale 1 | Sale 2 | Sale 3 | Sale 4 |
|------------------------------------|------------------|------------------------|-------------------|--------------------|-------------------|
| Location / Address | 98 Howell Avenue | 297 Fairburn Ind. Blvd | 100 Howell Avenue | 8105 Williams Road | 7735 Bishop Road |
| Sale Date | | Nov-17 | Feb-19 | Nov-18 | Aug-16 |
| Sale Price | | \$1,150,000 | \$700,000 | \$2,925,000 | \$1,600,000 |
| Excess Land Adjustment | | \$427,000 | \$101,000 | \$357,000 | \$210,000 |
| Adjusted Sale Price | | \$723,000 | \$599,000 | \$2,568,000 | \$1,390,000 |
| Building Size / RSF | 11,840 | 7,800 | 4,820 | 16,978 | 10,000 |
| Price / RSF | n/a | \$92.69 | \$124.27 | \$151.25 | \$139.00 |
| Intangible Adjustments | | | | | |
| Rights Conveyed | Fee Simple | Similar | Similar | Similar | Similar |
| Sales of Financing Concessions | | None | None | None | None |
| Conditions of Sale | | Arm's Length | Arm's Length | Arm's Length | Arm's Length |
| Market Conditions | | Upward | None | Upward | Upward |
| Total Intangible Adjustment | | Upward | None | Upward | Upward |
| Tangible Adjustments | | | | | |
| Location | Average | Similar | Similar | Similar | Similar |
| Access | Average | Similar | Similar | Similar | Similar |
| Exposure / Visibility | Corner | Similar | Similar | Similar | Similar |
| Office Build Out | 44% | Inferior/Upward | Inferior/Upward | Similar | Inferior/Upward |
| Building Size / RSF | 11,840 | Smaller/Downward | Smaller/Downward | Larger/Upward | Similar |
| Quality / Condition | Good | Inferior/Upward | Inferior/Upward | Superior/Downward | Superior/Downward |
| Land to Building Ratio | 6.94 to 1 | Similar | Similar | Similar | Similar |
| Total Tangible Adjustment | | Upward | Downward | Downward | Downward |
| Total Net Adjustment | | Upward | Downward | Downward | Downward |

The improved sales are arm's length cash or cash equivalent transactions; accordingly, no adjustments are required for rights conveyed, financing, or conditions of sale. The comparable sales occurred from 2016 to 2019, warranting an upward adjustment for market conditions to the sales that occurred prior to 2019.

All the comparable sales have a larger land to building ratio indicating that each has some excess land. An adjustment for the excess land was made after equivocating the land to building ratio for each sale. The value of the excess land was deducted from the sale price and an adjusted sale price was used in the comparison grid.

In the following analysis, only the applicable adjustments applied to the comparable sales are discussed.

Improved Sale 1 is a 7,800 square foot industrial building located at 297 Fairburn Industrial Boulevard across from the subject property. The improvements were built in 1997 and were in average condition at the time of sale. It has 28.6% office build-out with a land-to-building ratio of 35.8 to 1.

- Excess Land: Excess land was deducted from the sale price.
- Market Conditions: Comparable is a dated transaction and an upward adjustment is required.
- Location: Comparable has a similar location and no adjustment is required.
- Office-Build-out: Comparable has a lesser amount of office space and an upward adjustment is required.
- Size: Comparable is smaller than the subject and a downward adjustment is required.
- Quality/ Condition: Comparable was inferior in quality and condition and an upward adjustment is required.

The net adjustments are upward, indicating the subject should be above the \$92.95 per square foot of building area, including land.

Improved Sale 2 is a 4,820 square foot industrial office warehouse facility located adjacent to the subject property. The property was in average condition when sold and has 19% office build out and a land to building ratio of 20.29 to 1.

- Excess Land: Excess land was deducted from the sale price.
- Market Conditions: Comparable is a current transaction and no adjustment is required.
- Location: Comparable has a similar location and no adjustment is required.
- Office-Build-out: Comparable has a lesser amount of office space and an upward adjustment is required.
- Quality/ Condition: Comparable is inferior in condition and an upward adjustment is required.
- Size: Comparable is smaller than the subject and a downward adjustment is required.

The net adjustment is downward, indicating the subject should be below \$124.48 per square foot of building area, including land.

Improved Sale 3 is a 16,978 square foot industrial office warehouse facility located south the subject property off Highway 29 on Williams Road in South Fulton. The property was in average condition when sold and has 36% office build out and a land to building ratio of 30 to 1.

- Excess Land: Excess land was deducted from the sale price.
- Market Conditions: Comparable is a dated transaction and a slight upward adjustment is required.
- Location: Comparable has a similar location and no adjustment is required.
- Office-Build-out: Comparable has a similar amount of office build out and no adjustment is required.
- Size: Comparable is larger than the subject and an upward adjustment is required.
- Quality/ Condition: Comparable is inferior in condition and an upward adjustment is required.

The net adjustment is downward, indicating the subject should be below \$151.08 per square foot of building area, including land.

Improved Sale 4 is a 10,000 square foot industrial office warehouse facility located on Bishop Road on the north side of Highway 29 in Fairburn south of the subject. The property was in average condition when sold and has 26% office build out and a land to building ratio of 40.47 to 1.

- Excess Land: Excess land was deducted from the sale price.
- Market Conditions: Comparable is a dated transaction and an upward adjustment is required.
- Location: Comparable has a similar location and no adjustment is required.
- Office-Build-out: Comparable has a lesser amount of office space and an upward adjustment is required.
- Size: Comparable is similar to the subject and no adjustment is required.

The net adjustment is downward indicating the subject should be below the \$139.00 per square foot of building area, including land.

Market Value Indication-Sales Comparison Approach

From the market data available, improved sales in the subject submarket and similar market areas were selected. The comparable sales were adjusted based on pertinent elements of comparison as discussed earlier and as summarized in the preceding qualitative adjustment table.

The comparable improved sales indicate an *unadjusted price* range of \$92.95 to \$151.08 per square foot after the excess land adjustment. Based on the previous analysis, the market value indication for the subject property as improved, including land, is summarized:

Sales Comparison Approach Value Indication

11,840 RSF x \$100.00 RSF = \$1,184,000

Rounded To: \$1,180,000

Property as Improved-Income Capitalization Approach

The income capitalization approach is developed by converting a projection of future installments of income into a present value by a capitalization process. There are two types of capitalization: direct capitalization and yield capitalization, also known as discounted cash flow (DCF) analysis.

Income-producing properties, by nature, are developed and purchased for investment purposes, where earning power, including an income stream and return of investment, are the most critical elements affecting value. The forecast of income and selection of appropriate rate(s) are therefore important aspects of the valuation process. The steps in developing the income approach are as follows: Market Rent Analysis, Income Analysis, Vacancy Analysis, Expense Analysis, and Rate Analysis.

Methodology

In this appraisal, we employed the direct capitalization method analysis. The direct capitalization method is developed using a single year's income with a capitalization rate.

Market Rent Analysis

The comparable rentals have been analyzed and adjustments were made for differences in the various elements of comparison, including lease structure, market conditions, location, size and other relevant factors. If the comparable was considered superior to the subject, we applied a negative adjustment to the comparable. A positive adjustment to the comparable was applied if it was considered inferior to the subject.

Transaction Adjustments

Transaction adjustments include 1) expense structure, 2) concessions 3) tenant improvement allowances and 4) conditions of lease. These items are applied in the adjustment grid prior to application of the market conditions and property adjustments, and are discussed as follows:

Expense Structure

The market rent estimate is based on a Triple Net (NNN) lease structure. An expense structure adjustment was applied if there was a difference in the rental structure of the comparable. With regard to Triple Net lease structures, the following expense allocations are applicable:

| <u>Expense</u> | <u>Lessor</u> | <u>Lessee</u> |
|-----------------------------|---------------|---------------|
| Management | | X |
| Real Estate Taxes | | X |
| Insurance | | X |
| Utilities | | X |
| General Maintenance-Repairs | | X |
| Replacement Reserves | X | |

As indicated, the Triple Net (NNN) lease structure requires the tenant (lessee) to be responsible for the majority of operating expenses. The tenant (lessee) is typically responsible for utilities which are paid directly.

Rental Concessions

Concessions are typically found at properties that are new (and still in the initial lease-up stage), and when there is an overly high amount of inventory at the property or in the market place. If rental concessions are included within a lease, but not considered appropriate for the subject, an adjustment is required to reflect the effective rental rate.

- The comparable rentals analyzed were reporting no substantive rental concessions as of the date of valuation. Therefore, a rental concessions adjustment was not required.

Tenant Improvement Allowances

Tenant improvement allowances are provided to tenants to assist interior build-out of their demised space. Tenant improvement allowances range from as-is, to fresh paint and carpet, to allowances typically expressed as a dollar per square foot. If a lease includes a higher or lower than typical improvement allowance, an adjustment must be made to reflect market expectations.

- The comparable rentals do not include leases with over base-level tenant improvement allowances. Therefore, no tenant improvement allowance adjustments were required.

Conditions of Lease

When conditions of lease are atypical, the result may be a rental rate that is higher or lower than a normal market transaction. Examples of atypical transactions are those that occur between related parties or distressed transactions. Another more typical condition of lease involves the downward adjustment required to a comparable property's for-lease listing rate if consummated transactions are at lower levels. If the rent comparable does not involve typical conditions for signed leases, an adjustment is required.

- No atypical conditions of lease were noted, and the for-lease listing rates were reported as representative of consummated market transactions.

Market Conditions Adjustment

Market conditions change over time as a result of inflation, deflation, fluctuations in supply and demand and other factors. Changing market conditions creates the need for adjustments to rent comparables that represent transactions during periods of dissimilar market conditions.

- The comparable rentals represent recent lease transactions and/or surveys and a market conditions adjustment is not required.

Estimate of Market Rent

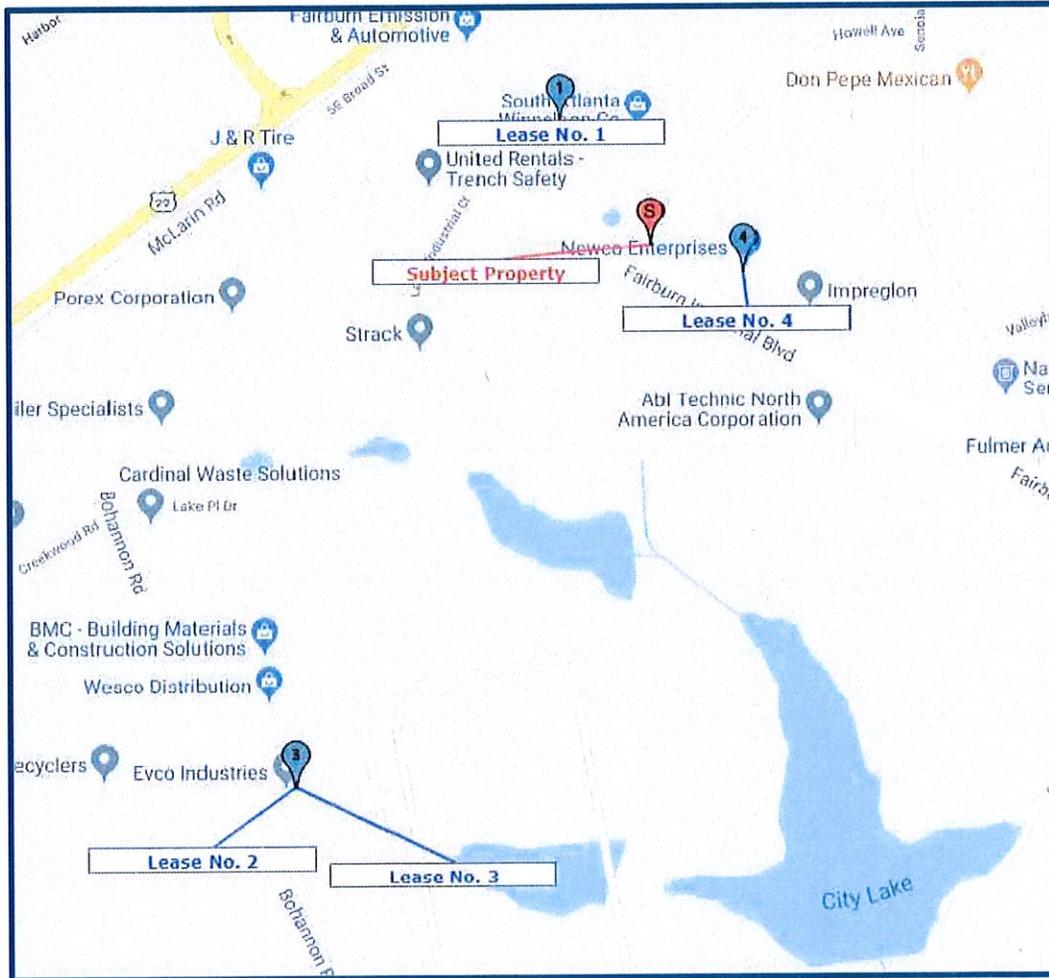
To develop an opinion of market rent, we surveyed representatives of comparable and competitive properties in the local market and similar market areas.

The comparable rentals analyzed are detailed in the Attachments section. The comparable rentals are summarized and mapped on the following page, followed by a qualitative adjustment grid and a discussion of the analysis.

COMPARABLE RENTALS SUMMARY

| No. | Location/Address | Bldg Size/RSF | Office Percentage | Rental Rate/RSF | Lease Structure |
|-----|------------------------------|---------------|-------------------|-----------------|------------------|
| | Subject | 11,840 | 44% | \$0.00 | Triple Net (NNN) |
| 1 | 85 Howell Avenue | 10,000 | 20% | \$4.25 | Triple Net (NNN) |
| 2 | 614 Bohannon Road | 14,550 | 0% | \$4.45 | Triple Net (NNN) |
| 3 | 612 Bohannon Road | 11,578 | 30% | \$4.95 | Triple Net (NNN) |
| 4 | 222 Fairburn Industrial Blvd | 13,734 | 25% | \$7.50 | Triple Net (NNN) |

COMPARABLE RENTALS MAP



Rent Comparables Adjustment Grid

| | Subject | Rental 1 | Rental 2 | Rental 3 | Rental 4 |
|---|---------------|-------------------|------------------------|------------------------|------------------------------|
| Location | Subject | 85 Howell Avenue | 614 Bohannon Road | 612 Bohannon Road | 222 Fairburn Industrial Blvd |
| Rentable Area | 11,840 | 10,000 | 14,550 | 11,578 | 13,734 |
| Base Annual Rental Rate (PSF) | \$0.00 | \$4.25 | \$4.45 | \$4.95 | \$7.50 |
| Transactional Adjustments | | | | | |
| Expense Structure | NNN | NNN | NNN | NNN | NNN |
| Adjustment (PSF) | | \$2.50 | \$2.50 | \$2.50 | \$2.50 |
| Effective Annual Rental Rate (PSF) | | \$4.25 | \$4.45 | \$4.95 | \$7.50 |
| Conditions of Lease | Normal | Normal | Normal | Normal | Normal |
| Adjustment | | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Adjusted Annual Rental Rate (PSF) | | \$4.25 psf | \$4.45 psf | \$4.95 psf | \$7.50 |
| Market Conditions Adjustments | | | | | |
| Market Trend | April 9, 2019 | 3.0% | 6.0% | 3.0% | 6.0% |
| Adjusted Annual Rental Rate (PSF) | | \$4.38 | \$4.72 | \$5.10 | \$7.95 |
| Property Adjustments | | | | | |
| Location | Average | Similar | Similar | Similar | Similar |
| Access / Exposure | Typical | Inferior/upward | Similar | Similar | Inferior/Upward |
| Tenant Space Size | 11,840 | Similar | Larger/Upward | Similar | Similar |
| Quality / Condition | Avg / Avg | Similar | Similar | Similar | Similar |
| Design / Functional Utility | Typical | Similar | Similar | Similar | Similar |
| Land to Building Ratio | 6.94 to 1 | 8.1/Similar | 5.57/ Inferior/ Upward | 3.92/ Inferior /Upward | 3.58/ Inferior/ Upward |
| Occupancy | Single Tenant | Similar | Similar | Similar | Similar |
| Percentage Office | 44% | Inferior/upward | Inferior/Upward | Inferior/Upward | Inferior/Upward |
| Net Property Adjustment | | Upward | Upward | Upward | Upward |

Property Adjustments

The adjustments can be expressed either quantitatively as percentages that reflect the increase or decrease in value attributable to the various characteristics of the property or qualitatively. For this analysis, qualitative adjustments are employed. Property adjustments are based on locational and physical characteristics and are made after the application of transaction and market conditions adjustments.

An attempt was made to locate rental comparables that had a similar amount of office space and a similar land to building ratio. Most industrial facilities do not have high percentages of office space and do not have substantial parking areas for equipment. The subject is a paving company with a high percentage of office space and a large open parking area for large trucks and heavy equipment.

Conclusion

The comparable rentals reflect *unadjusted* base rental rates ranging from \$4.25 to \$7.50 per square foot of building area. Based on the previous analysis, we have placed approximately equal emphasis on each of the rentals.

Income Analysis

In this section, the subject lease/rent roll (if applicable-available) is reviewed and compared to market rent to determine if a measurable leasehold interest is present. Additional income sources, expense recoveries, and rent escalations are also considered. The sum of all income develops an indication of the potential gross income (PGI).

Market/Contract Rental Rate Analysis

The subject property is owner occupied by the owner's company. The rent comparables indicated an unadjusted range of rents from \$4.25-\$7.50 per square foot with an average of \$5.28 per square foot and a median of \$4.70 per square foot. The subject has several characteristics that support a rate higher than the unadjusted range. The high percentage of office space (44%) is almost double a typical industrial facility. Additionally, the open parking area for equipment provides the site flexibility to support multiple industrial uses. The market rent conclusion slightly above the high end of the range is reasonable based on the amount of office build-out.

Potential Rental Income

Given market rental trends, the estimated subject market rental rate of **\$8.50** per square foot is considered market oriented and applied.

Expense Recoveries Income

The expense recovery income (reimbursable expense charge) allows the landlord to recover all or a portion of property related operating expenses such as real estate taxes, building insurance, general maintenance-repairs, and common area maintenance (CAM), which typically includes yard/site maintenance, pest control, trash collection, common area utilities and other miscellaneous expenses.

- The tenant is responsible for all expenses under the terms of the lease.

Percentage Rent

Leases can sometimes include percentage rent based on a tenant's gross sales. This allows the landlord and the tenant to share in the success of a property's location.

- We have estimated no percentage rent for the subject.

Other Income

This category includes income from a variety of sources and may include parking, roof-top antennas, storage fees, late fees and other miscellaneous charges.

- We have estimated no other income for the subject.

Vacancy/Collection Loss

In this section, the subject's current vacancy is compared to the market. Collection loss is also considered. The application of a vacancy/collection loss develops an indication of the effective gross income (EGI), discussed as follows:

The subject property is located in the "Southwest Atlanta" Industrial submarket as reported by Costar, a nationally recognized real estate analytics source. Due to the large size of this market, the local market was narrowed to industrial properties oriented proximate to the Fairburn area ranging in size from 3,000 to 20,000 square feet.

The vacancy rate trend as of Q1 2019 per Costar for the local market is summarized as follows:

Vacancy Rate



As indicated, vacancy levels have been decreasing and approximate 0.7% according to Costar. Given the non-credit tenant characteristics of the subject property, a prudent investor would include some level of allowance for long-term vacancy over an extended investment-holding period. For this analysis, we reasonably conclude a long-term vacancy and collection loss of **3.0%**.

Effective Gross Income (EGI)

Effective gross income consists of the income from all operations of the real property after an allowance for vacancy and collection loss has been applied.

Expense Analysis

Operating expenses represent deductions from the effective gross income necessary to maintain the leasing operations of the property. Operating expenses applicable to the subject property are deducted in order to arrive at net operating income (NOI).

Subject Expense History

Subject operating statements were requested but not provided; therefore, applicable expenses were based on market data for similar properties. The new ownership has owned the property for just over two years and does not have a substantial income and expense history.

Reimbursable Expenses

The reimbursable expense charge allows the landlord to recover all or a portion of property related operating expenses and can include expenses such as real estate taxes, building insurance, and common area maintenance (CAM), which typically includes yard/site maintenance, pest control, trash collection, and common area utilities. The reimbursable expenses are listed below:

- Under the applicable lease structure, a reimbursable expense charge would be passed on to the tenant.

Management Fees

Management fees in the industry typically range from 3% to 6% of effective gross income, depending on the particular property and tenant profile. Management fees typically include legal and accounting fees, office supplies, telephone, postage, travel, personnel payroll, and marketing. They are typically higher for properties with a high ratio of short-term leases and/or properties with low credit tenancy. Given the management efforts involved with the subject tenant occupancy profile and dollars involved, **3.0%** of effective gross income is considered reasonable and applied.

Real Estate Taxes

Reference is made to the "Taxes and Assessments" section, which includes a discussion of the subject's real estate taxes. Under the lease terms, the **tenant** is responsible for this expense.

Building Insurance

The building insurance expense can vary from property to property based on factors such as age or location, etc. The subject insurance expense was not reported. Market data indicates insurance expenditures from approximately \$0.25 to \$0.35 per square foot of building area for this property type. Under potential lease terms, the **tenant** is responsible for this expense, reasonably estimated at **\$0.25** per square foot of building area.

Utilities

This expense category relates to the costs for electrical service, gas, sewer, water, services associated with the property. Typical utility expenses can vary depending on the property type. Under a potential lease terms, the **tenant** is responsible for this expense.

General Maintenance-Repairs

These expenses are typically nominal for new construction but increase with the age of a property and, in particular, as tenant occupancy (turnover) changes. This item includes expenses inherent in general maintenance-repairs to the property. The subject general maintenance-repairs expense could not be determined as no details were provided. Market data indicates expenditures ranging from approximately \$0.50 to \$1.25 per square foot of building area for this property type. Under a potential lease terms, the **tenant** is responsible for this expense, reasonably estimated at **\$0.25** per square foot of building area.

Replacements Reserves

The allowance for the replacements reserves category is not typically included in an operating statement. It is considered more equitable to allocate a gradual accumulation of funds over a period of time for these expenditures, rather than experiencing large capital outlays in any one year. This expense generally includes structural, roof cover replacement, parking lot, and other miscellaneous capital item expenditures. We have utilized the *PwC Real Estate Investors Survey 4th Quarter 2018*, published by PricewaterhouseCoopers, to develop a market-derived cost for this expense item. This survey indicates reserve for replacement costs ranging from \$0.10 to \$0.50 per square foot for the subject property type. The tenant is responsible for all maintenance of the property which would

reduce the liability of the landlord in replacement of long-lived items. Considering the subject property type, a replacement reserves allocation of **\$0.15** per square foot is reasonably applied as a landlord expense.

Summary of Expense Analysis

Our estimate of total operating expenses (including an allocation for replacement reserves) is consistent with market expense data for this property type under the applicable lease structure, is considered reasonable and applied.

Net Operating Income (NOI)

Net operating income consists of the income that remains after all operating expenses are deducted from effective gross income, but before mortgage debt service and other non-periodic leasing and capital expenditures.

The estimated net operating income is summarized as follows:

Net Operating Income Schedule - Before

| Category | | | | Total |
|--|---------------------|---------------------|--|------------------|
| Potential Rental Income | 11,840 RSF x | \$8.50 RSF = | | \$100,632 |
| Total Potential Rental Income | 11,840 RSF x | \$8.50 RSF = | | \$100,632 |
| Expense Reimbursements | 11,840 RSF x | \$1.08 RSF = | | \$12,834 |
| Other Income | 11,840 RSF x | \$0.00 RSF = | | \$0 |
| Total Potential Non-Rental Income | 11,840 RSF x | \$1.08 RSF = | | \$12,834 |
| Total Potential Gross Income (PGI) | 11,840 RSF x | \$9.58 RSF = | | \$113,466 |
| Less Vacancy (2.0%) and Collection Loss (1.0%) = | 3.0% | | | (\$3,404) |
| Effective Gross Income (EGI) | | | | \$110,062 |

Appraiser's Expense Estimates

| | | | Total |
|-----------------------------------|----------|---------------------|-------------------|
| Less: Operating Expenses | | | |
| Management Fees | Tenant | 3.0% | \$3,302 |
| Real Estate Taxes | Tenant | \$0.58 | \$6,914 |
| Building Insurance | Tenant | \$0.25 | \$2,960 |
| Utilities | Tenant | Tenant | \$0 |
| General Maintenance-Repairs | Tenant | \$0.25 | \$2,960 |
| Replacements Reserves | Landlord | \$0.15 RSF | \$1,776 |
| Total Operating Expenses: | | (\$1.51) RSF | (\$17,912) |
| Net Operating Income (NOI) | | | \$92,150 |

Summary of Total Operating Expenses

Based on the previous analysis, the total annual operating expenses are reasonably estimated at **\$19,912 or \$1.51** per square foot of rentable building area. The estimated annual operating expenses are consistent with expense ratios for similar properties under the applicable lease structure, are considered reasonable and applied.

Direct Capitalization Analysis

Direct capitalization is the process of converting a stabilized income stream into an estimate of value and is obtained by dividing net operating income (NOI) before debt service by an overall capitalization rate (OAR). This rate is the net operating income divided by value or sale price and may be developed from different sources. The three most common methods of selecting the appropriate capitalization rate are: market extraction-comparable sales (when available), investor surveys, and the band of investment technique.

Investor Surveys

The following table summarizes overall capitalization rate trends as published by the investor surveys:

Investor Surveys - Overall Capitalization Rates

| Survey | Date | Rate Range | Average |
|---|-------------|-----------------------|----------------|
| Local Market Cap Rates from Sales | 2018 | 6.50% to 8.87% | 7.67% |
| PwC Real Estate Investor Survey (Institutional) | Q4 2018 | 1.00% to 6.50% | 4.56% |
| Realty Rates Investor Survey (Surveyed Rates) | Q4 2019 | 5.00% to 11.67% | 8.37% |
| | Mean | 4.17% to 9.01% | 6.87% |

Considering the income-investment-risk level of the subject property and recognizing supply-demand trends in the local subject submarket, we consider an overall capitalization rate toward the upper-end of the presented investor surveys to be appropriate.

Band of Investment Technique

The Band of Investment Technique was also considered in order to develop a capitalization rate based on market equity requirements and mortgage financing terms, including market interest rates, loan-to-value ratios, and amortization terms. We selected mortgage and equity parameters as detailed in the previous RealtyRates Investor Survey.

The following summarizes the indication from the Band of Investment Technique:

| Band of Investment Technique | | | | | |
|--|---|--|----------|--------------------------------|--------------|
| Mortgage Interest Rate | = | | 5.00% | | |
| Mortgage Term | = | | 20 years | | |
| Mortgage Ratio (M) | = | | 80.0% | | |
| Mortgage Constant (R _M) | = | | 0.07919 | | |
| Equity Dividend Rate (R _E) | = | | 10.00% | | |
| Mortgage (LTV) Ratio (M) | | Mortgage Constant (R _M) | | Mortgage Component | |
| 80.0% | x | 0.079190 | = | 0.06335 | |
| 1 - Mortgage Ratio (1-M) | | Equity Dividend Rate (R _E) | | Equity Component | |
| 25.0% | x | 10.00% | = | 0.02500 | |
| Mortgage Component | | Equity Component | | Overall Rate (R _O) | |
| 0.06335 | + | 0.02500 | = | 0.08835 | |
| | | | | Rounded | 8.84% |

The overall capitalization rate indications are summarized:

- Market Extraction: 7.67%
- Investors Survey Range (Mean): 4.67% to 8.37
- Band of Investment): 8.84%

Overall Capitalization Rate Conclusion

The subject property is a practically new facility having been renovated in 2018 with new office space and new site improvements including paving and security fencing. Due to the quality of the property, a rate near the middle of the range is reasonable. Based on the various sources analyzed and recognizing the subjects' income-investment risk characteristics, we reasonably conclude an appropriate direct capitalization rate (OAR) for the subject to be **8.0%**.

Market Value Indication-Direct Capitalization

Based on the net operating income and the selected capitalization rate, the market value indication by direct capitalization is presented:

| | | |
|---|---|--------------------|
| Net Operating Income (NOI) | | \$92,150 |
| Divided by Overall Capitalization Rate (OAR) | ÷ | <u>0.0800</u> |
| Stabilized Market Value Indication | | \$1,151,877 |
| Stabilized Market Value Indication (Rounded) | | \$1,150,000 |

Discounted Cash Flow Analysis

In addition to the direct capitalization technique we also developed a Discounted Cash Flow (DCF) model. In the following DCF analysis, the variables are held constant related to annual rental income, vacancy-collection loss, and operating expenses. Additional variables developed in the DCF are summarized:

| | |
|---------------------------------|-------------|
| ➤ Income Growth: | 2.0% Annual |
| ➤ Expense Growth: | 2.0% Annual |
| ➤ Discount Rate: | 9.25% |
| ➤ Terminal Capitalization Rate: | 8.25% |

Discount Factor

A discount factor is applied in order to account for risk in achievement of income over the passage of time. The factor is based on investment alternatives based on expected rate of returns anticipated by investors. Basic investment rates are considered, such as the prime interest rate, federal fund rates and bond rates, along with current real estate investor survey data of rates from long-term land leases.

Economic Indicators

The following chart as published by the Appraisal Institute summarizes historical discount rates through January 2019:

ECONOMIC INDICATORS – January 2019

Market Rates and Bond Yields

| | Jan19 | July18 | Jan18 | July17 | Jan 17 | Jan16 |
|--|-------|--------|-------|--------|--------|-------|
| Reserve Bank Discount Rate | 3.0 | 2.50 | 2 | 1.75 | 1.00 | 0.75 |
| Prime Rate (monthly average) | 5.50 | 5.00 | 4.5 | 4.25 | 3.25 | 3.25 |
| Federal Funds Rate | 2.40 | 1.91 | 1.41 | 1.16 | 0.13 | 0.11 |
| 3-Month Treasury Bills | 3.37 | 1.99 | 1.41 | 1.08 | 0.06 | 0.03 |
| 6-Month Treasury Bills | 2.44 | 2.16 | 1.59 | 1.12 | 0.14 | 0.08 |
| LIBOR-3 month rate | n/a | 2.03 | n/a | 1.31 | 0.33 | 0.30 |
| U.S. 5-Year Bond | 2.49 | 2.85 | 2.38 | 1.82 | 1.59 | 1.37 |
| U.S. 10-Year Bond | 2.70 | 2.96 | 2.58 | 2.27 | 2.25 | 1.88 |
| U.S. 30-Year Bond | 3.06 | 3.08 | 2.88 | 2.84 | 2.95 | 2.46 |
| Municipal Tax Exempts (Aaa) [†] | 3.23 | 3.22 | n/a | 3.01 | 3.33 | 2.88 |
| Municipal Tax Exempts (A) [†] | 3.73 | 3.71 | 3.44 | 3.57 | 3.93 | 3.45 |
| Corporate Bonds (Aaa) [†] | 3.93 | 3.87 | 2.94 | 3.70 | 4.15 | 3.46 |
| Corporate Bonds (A) [†] | 4.34 | 4.26 | 3.85 | 3.98 | 4.49 | 3.54 |
| Corporate Bonds (Baa) [†] | 5.12 | 4.79 | 3.77 | 4.39 | 5.18 | 4.45 |

U.S. 5-Year Bonds have recently yielded 2.49% with Aaa Corporate Bonds at 3.93%. These rates have fluctuated in recent years but there is an overall upward trend. The subject's discount rate should be higher than these indicators after including a reasonable risk premium is added.

We also reviewed Discount Rates per the Q4 2018 Investor Surveys, summarized as follows:

Investor Surveys - Industrial Discount Rates

| Survey | Date | Rate Range | Average |
|---|-------------|------------------------|--------------|
| PwC Real Estate Investor Survey (Institutional) | Q4 2018 | 6.12% to 11.98% | 9.39% |
| Realty Rates Investor Survey (Surveyed Rates) | Q4 2019 | 5.25% to 9.00% | 6.33% |
| | Mean | 5.69% to 10.49% | 7.86% |

Conclusion

The Investor Surveys indicate a range from 5.69% to 10.49% with a mean of 7.86%. These rates are based on low risk income stream investments. Recognizing the income-investment characteristics of the subject property, it is our opinion a reasonable Discount Rate for the subject property would be toward the upper-range of these indicators.

The Discounted Cash Flow (DCF) analysis is summarized:

| | Year | 1 | 2 | 3 | 4 | 5 | 6 |
|---|-------|--------------------|------------------|------------------|------------------|------------------|------------------|
| Potential Gross Income | | \$100,632 | \$102,645 | \$104,698 | \$106,791 | \$108,927 | \$111,106 |
| Expense Reimbursements | | \$12,834 | \$13,091 | \$13,352 | \$13,619 | \$13,892 | \$14,170 |
| Total Potential Gross Income | | \$113,466 | \$115,735 | \$118,050 | \$120,411 | \$122,819 | \$125,276 |
| Less Vacancy & Collection Loss | 3.0% | \$3,404 | \$3,472 | \$3,541 | \$3,612 | \$3,685 | \$3,758 |
| Effective Gross Income | | \$110,062 | \$112,263 | \$114,508 | \$116,799 | \$119,135 | \$121,517 |
| Operating Expenses | | | | | | | |
| Management Fees | 3.0% | \$3,302 | \$3,368 | \$3,435 | \$3,504 | \$3,574 | \$3,646 |
| Real Estate Taxes | | \$6,914 | \$6,914 | \$7,018 | \$7,018 | \$7,123 | \$7,123 |
| Building Insurance | | \$2,960 | \$3,019 | \$3,080 | \$3,141 | \$3,204 | \$3,268 |
| Utilities | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Repairs and Maintenance | | \$2,960 | \$3,019 | \$3,080 | \$3,141 | \$3,204 | \$3,268 |
| Replacement Reserves | | \$1,776 | \$1,812 | \$1,848 | \$1,885 | \$1,922 | \$1,961 |
| Total Operating Expenses | | \$17,912 | \$18,132 | \$18,460 | \$18,689 | \$19,027 | \$19,265 |
| Net Operating Income | | \$92,150 | \$94,131 | \$96,049 | \$98,110 | \$100,107 | \$102,252 |
| Present Worth Factor | 9.25% | <u>0.91533</u> | <u>0.83783</u> | <u>0.76689</u> | <u>0.70196</u> | <u>0.64253</u> | <u>0.58813</u> |
| Present Worth of Income Stream | | \$84,348 | \$78,866 | \$73,659 | \$68,869 | \$64,322 | \$60,137 |
| Total Present Worth of Income Stream | | \$430,201 | | | | | |
| Terminal OAR & Reversionary Value Year 6 | 8.25% | | \$1,239,416 | | | | |
| Reversion Present Worth Factor | 3 | | <u>0.58813</u> | | | | |
| Present Worth of Reversion | | \$728,938 | | | | | |
| Market Value Indication via DCF | | \$1,159,139 | | | | | |
| Rounded to | | \$1,160,000 | | | | | |

Reconciliation and Market Value Opinion-Before Acquisition

In order to reach a final opinion of the total market value before acquisition, we have considered the reliability and relevance of each value indication based upon the quality of the data and applicability of the assumptions underlying each approach. The approaches relate well to one another within a pattern characteristic of market conditions.

The subject property is an income-investment property and a prudent investor would place primary emphasis on the income capitalization approach. The indicated market values from the approaches developed and the concluded as is market value opinion, before acquisition, are summarized:

| Approach to Value | Value Indications |
|-------------------------------------|--------------------|
| Cost | \$1,420,000 |
| Sales Comparison | \$1,180,000 |
| Income - Direct Capitalization | \$1,150,000 |
| Income - Discounted Cash Flow (DCF) | \$1,160,000 |
| Value Conclusion | |
| Reconciled Market Value: | \$1,160,000 |

Allocation of Value

| | | Value Allocations |
|------------------------------------|------------------|-------------------|
| Reconciled Market Value | \$1,160,000 | 100.00% |
| Less Total Land Contribution | <u>\$267,296</u> | <u>23.04%</u> |
| Indicated Improvement Contribution | \$892,704 | 76.96% |

Section 14 – Remainder Value as Part of Whole

| | <u>Land</u> | <u>Improvements</u> | <u>Total</u> |
|--|-------------|---------------------|-----------------|
| Market Value of the Whole Before | \$267,296 | \$892,704 | \$1,160,000 |
| Market Value of the Part Acquired | \$26,627 | \$906 | <u>\$27,533</u> |
| Market Value of the Remainder as Part of the Whole | \$240,669 | \$891,798 | \$1,132,467 |

Remarks

Signs and lights (if applicable) are considered trade fixtures and not part of the real estate. These items are addressed in the following "Trade Fixtures" section.

Section 15 – Remainder Value After Acquisition Before Specific Benefits

Valuation of Remainder, Without Consideration of Cost to Cure

To test whether the proposed cost to cure is justified, we have performed the following analysis.

Land If Vacant

In the after situation, there will be a slight reduction in the subject land area but all other physical characteristics including access-exposure will be maintained. In our opinion, there will be *no* reduction in the value of the remainder land beyond the part acquired. The remainder land value is calculated:

Land

Encumbered

$$0.00 \text{ SF @ } \$3.25 \text{ Per SF} \times 0.50 = \$0$$

Unencumbered

$$74,052.00 \text{ SF @ } \$3.25 \text{ Per SF} = \underline{\$240,669}$$

$$\text{Total Remainder Land: } \underline{\$240,669}$$

Property as Improved

In our opinion, if the proposed cure were *not* implemented, the subject improvements would suffer an adverse impact. In this case, the existing yard storage and equipment parking will be lost and the site will lose 15 spaces for employee parking outside the fence. This is addressed in the revised Cost to Cure. The loss of these parking spaces would not impact the requirement for parking spaces in the zoning ordinance, it would however, diminish the parking for the facility which depends on the ability of its drivers to park outside the security gate, Without the cure, 15 spaces outside the fence are lost as is the equipment parking inside the fence. The property is valued at \$1,160,000 or \$26,363 per parking space ($\$1,160,000 / 44 \text{ spaces} = \$26,363 \text{ per space}$) Based on the loss of parking the estimated value would be **\$764,545**. ($\$26,363 \times 29 = \$764,545$)

Valuation of Remainder, With Consideration of Cost to Cure

The Cost to Cure shows a total of 29 parking spaces, and 15 employee spaces outside the fence but within the property boundaries including the 15 gravel spaces, there are 44 spaces total.

The acquisition results in the interim loss of 15 gravel parking spaces and a permanent loss of yard storage and equipment parking. The lost gravel parking spaces are located at the front of the building along Howell Avenue. Per the Cost to Cure report (CTC) reproduced in the Attachments section, the total cost of the proposed cure is reported at **\$73,071**. The cure relates to the removal and replacement of the fence and automatic gate and various site improvements and the replacement of 10 gravel parking spaces inside the fence.

The loss of 5 gravel parking spaces and the equipment parking during the construction period will impact the rental income potential of the property. The 5 lost spaces during the interim period equates to 11.0% of the parking spaces ($5 \div 44$).

We considered the viability of the property to function given the loss of yard storage. In the before situation there are 29 paved parking spaces available in the existing parking area and 15 gravel parking spaces outside the fence. Most of these spaces are occupied during regular business hours. The loss of the parking outside the fence may require those employees to park inside the gate. The Cost to Cure places 6 gravel parking spaces inside the fence in the location currently used for equipment parking, resulting in the permanent loss of the area for yard storage and equipment parking.

There is no area on the site in which to replace the yard storage/equipment parking according to the CTC engineer. There is a wooded area to the east of the site but it is a drainage area and could not be improved for parking. The Cure will result in a permanent loss of 9 parking spaces. (44 down to 35, or 20% of the parking)

The owners have expressed a concern with large truck access to the site in the after situation. According to the Cot to Cure engineer, *"Pursuant to our telephone conversation earlier today I have checked the inbound/outbound internal circulation pattern for the above referenced parcel using an AASHTO P-T and WB-62 design vehicles. Per my analysis while the turn into the remainder of the property is slightly tighter for both vehicles in the after condition, I find that both type of vehicles can continue to access, circulate and egress the property with minor adjustments."*

The engineer states that truck access will not be impeded by the acquisition of the right-of-way. (A copy of the truck turn around drawing is located in the attachments.)

Recognizing that the affected parking spaces are occupied a majority of the time, it is our opinion that an appropriate rent reduction should be lower than 11.0% for the interim period. There would also be a reduction in rent for the permanent situation as the number of total parking spaces remain are fewer. For this analysis, we have applied **15.0%** rent reduction to the potential rental income during the interim period and **10.0%** rent reduction in the permanent situation.

Although difficult to estimate, we have included an additional **5.0%** rent reduction to reflect the loss of the yard storage area.

To estimate the remainder value with cure, we return to the Discounted Cash Flow (DCF) analysis in order to estimate the economic changes to the property as a result of the acquisition and implementation of the proposed cure. Changes to the DCF from the before situation are summarized:

- The construction period is three years. For the first three years, the 15% rent reduction reflects the rent loss of 15 spaces. The Year 1 income is calculated at **\$85,537** ($\$100,632 \times 0.85 = \$85,537$).
- The permanent condition begins in Year 4 of the DCF and reflects the associated rental income at that time. A reduction in Year 4 income is based on a 10% reduction in the Year 4 income in the Before DCF.
- The Discount Rate and the Terminal Capitalization Rate are consistent with the before situation as the rent reduction has accounted for the permanent loss of the parking.
- All other assumptions are held constant as presented in the DCF analysis before acquisition.

The market value with cure via the DCF analysis is summarized as follows:

| | Year | 1 | 2 | 3 | 4 | 5 | 6 |
|---|-------|------------------|-------------------|------------------|------------------|------------------|------------------|
| Potential Gross Income | | \$85,537 | \$87,248 | \$88,993 | \$96,112 | \$98,035 | \$88,885 |
| Expense Reimbursements | | \$12,834 | \$13,091 | \$13,352 | \$13,619 | \$13,892 | \$14,170 |
| Total Potential Gross Income | | \$98,371 | \$100,339 | \$102,345 | \$109,732 | \$111,926 | \$103,054 |
| Less Vacancy & Collection Loss | 3.0% | \$2,951 | \$3,010 | \$3,070 | \$3,292 | \$3,358 | \$3,092 |
| Effective Gross Income | | \$95,420 | \$97,328 | \$99,275 | \$106,440 | \$108,569 | \$99,963 |
| Operating Expenses | | | | | | | |
| Management Fees | 3.0% | \$3,302 | \$3,368 | \$3,435 | \$3,504 | \$3,574 | \$3,646 |
| Real Estate Taxes | | \$6,914 | \$6,914 | \$7,018 | \$7,018 | \$7,123 | \$7,123 |
| Building Insurance | | \$2,960 | \$3,019 | \$3,080 | \$3,141 | \$3,204 | \$3,268 |
| Utilities | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Repairs and Maintenance | | \$2,960 | \$3,019 | \$3,080 | \$3,141 | \$3,204 | \$3,268 |
| Replacement Reserves | | \$1,776 | \$1,812 | \$1,848 | \$1,885 | \$1,922 | \$1,961 |
| Total Operating Expenses | | \$17,912 | \$18,132 | \$18,460 | \$18,689 | \$19,027 | \$19,265 |
| Net Operating Income | | \$77,508 | \$79,197 | \$80,815 | \$87,751 | \$89,541 | \$80,697 |
| Present Worth Factor | 9.25% | <u>0.91533</u> | <u>0.83783</u> | <u>0.76689</u> | <u>0.70196</u> | <u>0.64253</u> | <u>0.58813</u> |
| Present Worth of Income Stream | | \$70,946 | \$66,353 | \$61,976 | \$61,598 | \$57,533 | \$47,461 |
| Total Present Worth of Income Stream | | \$365,867 | | | | | |
| Terminal OAR & Reversionary Value Year 6 | 8.25% | | \$978,149 | | | | |
| Reversion Present Worth Factor | | | <u>0.58813</u> | | | | |
| Present Worth of Reversion | | | \$575,279 | | | | |
| Market Value Indication via DCF | | | \$941,146 | | | | |
| Deduct Cost to Cure | | | <u>(\$73,071)</u> | | | | |
| Market Value Indication via DCF | | | \$868,075 | | | | |

Remarks

The value of the remainder if the cure were implemented is higher than if the cure were not implemented; the proposed cure is justified.

Final Determination of Value After Acquisition, Considering Specific Benefits

The impact to the remainder is summarized as follows:

| | Land | | | |
|---------------------|-----------|------|--------------|-------------|
| | Fee | Esmt | Improvements | Total |
| Remainder Before | \$240,669 | \$0 | \$891,798 | \$1,132,467 |
| Remainder After | \$240,669 | \$0 | \$627,405 | \$868,075 |
| Impact on Remainder | \$0 | \$0 | \$264,393 | \$264,393 |

Section 16 – Determination of Specific Benefits/Damages

Specific Benefits

| | |
|------|-----|
| None | \$0 |
|------|-----|

Consequential Damages

| | |
|--------------------------------|-----------|
| Unmitigated Damages | |
| To The Remainder Land: | \$0 |
| To The Remainder Improvements: | \$191,322 |
| Cost to Cure: | \$73,071 |
| Total Damages | \$264,393 |

Damages Less Benefits

| | |
|--|-----------|
| Consequential Damages to the Remainder | \$264,393 |
| Less: Specific Benefits to the Remainder | \$0 |
| Damages to the Remainder Not Offset by Specific Benefits | \$264,393 |

Section 17 – Other Compensation

| | | |
|--|---|----------------|
| Square Feet: | | 1,957.54 |
| Fee Value per SF | x | <u>\$3.25</u> |
| Total Fee Value: | | \$6,362 |
| Rental Rate: | x | <u>10.0%</u> |
| Annual Rent: | | \$636 |
| Easement Period (Years): | x | <u>3</u> |
| Total Value - Temporary Easement: | | \$1,908 |

Section 18 – Valuation of Other Property Interests

Not applicable.

Section 19 – Compensation Summary

| | | |
|-----------------------|--------------|------------------|
| Total Before | | \$1,160,000 |
| Less Part Acquired | | |
| Fee Acquisition | \$26,627 | |
| Permanent Easements | \$0 | |
| Improvements (Site) | <u>\$906</u> | |
| Total Part Acquired | | <u>\$27,533</u> |
| Remainder Before | | \$1,132,467 |
| Remainder After | | <u>\$868,076</u> |
| Consequential Damages | | \$264,392 |
| Add Part Acquired | | |
| Fee Acquisition | | \$26,627 |
| Permanent Easements | | \$0 |
| Improvements (Site) | | \$906 |
| Trade Fixtures | | \$0 |
| Temporary Easement | | <u>\$1,908</u> |
| Total Award | | \$293,832 |
| Rounded To: | | \$293,900 |

COMPENSATION SUMMARY – 388N

 Project: Howell Avenue Extension
 Project #: 1015-17-166
 County: Fulton

 Parcel: 9
 P.I. #: 0006857
 Date of Value: April 9, 2019



Appraiser/Signature: May 1, 2019

Certification #: CG5047

Appraiser Name: Kenneth H. Cantrell, MAI

 Address: 2675 Paces Ferry Road
 Suite 145
 Atlanta, GA 30339

Telephone: (678) 644-4853

Facsimile: (770) 745-0511

| | | | | |
|--|---------------------|--------|----------------|------------------|
| Total Value Before Acquisition: | | | | \$1,160,000 |
| Value of Land Acquired, Fee Simple: | | | | |
| | 8,192.80 | \$3.25 | | \$26,627 |
| | Land Area | \$/SF | | |
| Value of Permanent Easement(s): | | | | |
| | 0.00 | \$3.25 | 50.0% | \$0 |
| | Land Area | \$/SF | % of Fee Value | |
| Value of Improvements to be Acquired: | | | | |
| Main Structure: | | | | \$0 |
| Site Improvements: | | | | \$906 |
| | Total Improvements: | | | \$906 |
| Market Value of Acquisition: | | | | \$27,533 |
| Impact/Damages to the Remainder (not offset by specific benefits): | | | | \$191,322 |
| Damages/Acquisition of Trade Fixtures (Total): | | | | \$0 |
| Cost to Cure | | | | \$73,071 |
| Temporary Easement: | | | | \$1,908 |
| Recommended Compensation: | | | | \$293,833 |
| Rounded To: | | | | \$293,900 |

SUMMARY OF COMPENSATION FOR OWNERSHIP INTERESTS

| | Name | Compensation | Items Included |
|------------------|------------------------------------|------------------|-------------------------|
| Owner/Fee Simple | Herman Investments & Holdings, LLC | \$293,900 | Land; Improvements; CTC |
| Leasehold | N/A | \$0 | N/A |
| Subleasehold | N/A | \$0 | N/A |
| Trade Fixtures | N/A | \$0 | N/A |

CERTIFICATION OF APPRAISER**STATE OF GEORGIA
COUNTY OF FULTON****PROJECT: HOWELL AVENUE EXTENSION
PARCEL 9**

I Hereby Certify:

That I have personally inspected the property appraised herein and that I have also made a personal field inspection of the comparable sales relied upon in making said appraisal. The subject and the comparable sales relied upon in making said appraisal were as represented in said appraisal or in the data book or report which supplements said appraisal.

That to the best of my knowledge and belief, the statements contained in the appraisal herein set forth are true and correct, the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions. That my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice. The appraiser is currently certified under the continuing education program of the State of Georgia through the date **October 31, 2019**.

That I understand that such appraisal may be used in connection with the acquisition of right-of-way for a project to be constructed by the State of Georgia with the assistance of Federal-Aid highway funds, and other Federal funds.

That such appraisal has been made in conformity with the appropriate State laws, regulations, and policies and procedures applicable to appraisal of right-of-way for such purposes; and that to the best of my knowledge, no portion of the value assigned to such property consists of items that are non-compensable under the established law of said State.

That my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event. That I have no personal interest in or bias with respect to the parties involved, and that I have no present or prospective interest in the property that is the subject of this report.

That I have not revealed the findings and results of such appraisal to anyone other than the property officials of the acquiring agency of said State or officials of the Federal Highway Administration, and I will not do so until so authorized by said officials, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

That my opinion of just compensation for the acquisition as of the **9th day of April 2019** is **\$293,900** based upon my independent appraisal and the exercise of my professional judgment.

Name: Kenneth H. Cantrell, MAI

Date: April 29, 2019

Telephone Number: (678) 644-4853 Appraiser's Signature:

Address: 2675 Paces Ferry Road, Suite 145
Atlanta, GA 30339

LIMITING CONDITIONS AND ASSUMPTIONS

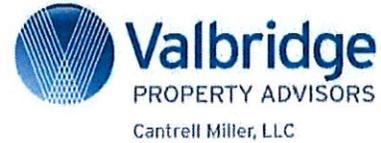
The analysis and the attached report are made subject to the following conditions and assumptions:

1. Any legal description or plats reported herein are assumed to be accurate. Any sketches, plats, or drawings included herein are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.
2. No responsibility is assumed for matters legal in nature. Title is assumed to be good and marketable and in fee simple unless discussed otherwise in the report. The property is considered to be free and clear of existing liens, assessments, and encumbrances, except as noted.
3. The analyst assumes no liability for structural features not visible on an ordinary careful inspection, nor any responsibility for sub-surface conditions.
4. Unless otherwise noted herein, it is assumed that there are no encroachments or zoning violations of any regulations affecting the subject property.
5. The property is assumed to be under competent and aggressive management unless otherwise stated.
6. Certain information used in the report was provided by sources which are considered reliable but cannot be guaranteed.
7. Any value estimates reported herein apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interest is set forth in the report.
8. Any division of the land and improvement values estimated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
9. We are not required to give testimony or attendance in court by reason of this analysis or report, with reference to the property in question, unless arrangements have previously been made.
10. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media, without the prior written consent and approval of the author; this limitation pertains to any valuation conclusions, the identity of the analyst or the firm, and any reference to the Appraisal Institute or to the designations.

11. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may have an effect on the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field if desired.

12. Any forecasts or projections included in this report are utilized to assist in the valuation process and are based upon current market conditions, anticipated short term supply and demand factors, as well as a stable economy. These forecasts are therefore subject to changes in future conditions which cannot be accurately predicted by the appraisers and could affect the future income and/or value forecasts.

Qualifications of Kenneth H. Cantrell, MAI Senior Managing Director



Independent Valuations for a Variable World

State Certifications

Certified General
State of Georgia

Education

Bachelor of Business
Administration – Real Estate
University of Georgia

Contact Details

678-644-4853 (p)
404-745-0511 (f)
kcantrell@valbridge.com (e)

Valbridge Property Advisors |
Cantrell Miller, LLC
2675 Paces Ferry Road
Suite 145
Atlanta, Georgia 30339

www.valbridge.com

Membership/Affiliations

Member: Appraisal Institute – MAI Designation
Atlanta Area Chapter of the Appraisal Institute: Chairman of General Admissions 2002-2003
Atlanta Area Chapter of the Appraisal Institute: Board of Directors 2005-2007, Treasurer 2008, Secretary 2009, Vice President 2010, and President 2011.
Chair of State of Atlanta, 2012

Appraisal Institute & Related Courses

Has successfully completed courses in real estate and finance including real estate valuation, real estate finance, real estate law, real estate brokerage, and real estate investment analysis. Has successfully completed or challenged numerous courses conducted by the Appraisal Institute (AI) and the Commercial Investment Real Estate Council (CI).

Experience

Senior Managing Director
Valbridge Property Advisors | Cantrell Miller, LLC. 2013-Present
Partner & Senior Appraiser
Carr, Lawson, Cantrell & Associates; Atlanta, Georgia. 2002-2013
Senior Appraiser
Carr & Associates and Schultz, Carr, Bissette & Associates; Atlanta, Georgia. 1993-2002
Buckner & Company, Commercial & Industrial Brokerage Firm; Atlanta, Georgia. 1991-1993
Branch Realty Management; Leasing Division; Atlanta, Georgia. 1989-1990

Ken has extensive experience in the valuation of a broad range of property types and eminent domain-related acquisition analyses. Assignments have been completed for a variety of purposes including lending support, litigation, estate planning, bankruptcy proceedings, and acquisition/disposition. Interests appraised include fee simple, leasehold, leased fee, easement rights, air rights, across-the-fence, and going concern-business enterprise value. Assignments have included multiple parcel projects for road construction, airport expansion, greenway-park acquisitions, reservoirs, utility lines, and rail corridors. Ken has qualified as

an expert witness on numerous occasions in various courts in the State of Georgia and in Federal Bankruptcy Court.

STATE OF GEORGIA
REAL ESTATE APPRAISERS BOARD

KENNETH HOUSTON CANTRELL
5047

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A
CERTIFIED GENERAL REAL PROPERTY APPRAISER

THE PRIVILEGE AND RESPONSIBILITIES OF THIS APPRAISER CLASSIFICATION SHALL CONTINUE IN EFFECT AS LONG AS THE APPRAISER PAYS REQUIRED APPRAISER FEES AND COMPLIES WITH ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39-A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

| | |
|------------------------------------|--|
| D. SCOTT MURPHY Chairperson | JEANMARIE HOLMES WILLIAM A. MURRAY KEITH STONE |
| JEFF A. LAWSON Vice Chairperson | |

47731514

| | |
|---|--|
| <p>KENNETH HOUSTON CANTRELL</p> <p># 5047</p> <p>Status ACTIVE</p> <p>CERTIFIED GENERAL REAL PROPERTY APPRAISER</p> <p>THIS LICENSE EXPIRES IF YOU FAIL TO PAY RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY REQUIRED EDUCATION IN A TIMELY MANNER.</p> <p>State of Georgia Real Estate Commission Suite 1000 - International Tower 229 Peachtree Street, N.E. Atlanta, GA 30303-1605</p> | <p>ORIGINALLY LICENSED</p> <p>08/24/1934</p> <p>END OF RENEWAL</p> <p>10/31/2019</p> <div style="text-align: center;">  LYNN DEMPSEY Real Estate Commissioner 47731514 </div> |
| <p>KENNETH HOUSTON CANTRELL</p> <p># 5047</p> <p>Status ACTIVE</p> <p>CERTIFIED GENERAL REAL PROPERTY APPRAISER</p> <p>THIS LICENSE EXPIRES IF YOU FAIL TO PAY RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY REQUIRED EDUCATION IN A TIMELY MANNER.</p> <p>State of Georgia Real Estate Commission Suite 1000 - International Tower 229 Peachtree Street, N.E. Atlanta, GA 30303-1605</p> | <p>ORIGINALLY LICENSED</p> <p>08/24/1934</p> <p>END OF RENEWAL</p> <p>10/31/2019</p> <div style="text-align: center;">  LYNN DEMPSEY Real Estate Commissioner 47731514 </div> |

ATTACHMENTS

CERTIFICATION (GENERAL)**ATTACHMENT I**

The undersigned hereby certifies that, except as otherwise noted in this report:

1. I have made a personal inspection of the property that is the subject of this report.
2. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
3. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
8. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice, as well as the Georgia Real Estate Appraiser Classification and Regulation Act and the Rules and Regulations of the Georgia Real Estate Appraisers Board.
9. To the best of my knowledge and belief, the statements of fact contained in this report, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct.
10. Randy Saxon, my appraisal associate, assisted in the data collection, analysis, and value conclusions.
11. As of the date of this report, Kenneth H. Cantrell, MAI has completed the requirements of the continuing education program of the Appraisal Institute and the State of Georgia.



Kenneth H. Cantrell, MAI
Georgia Certified General Real Property Appraiser (CG5047)

SUBJECT PHOTOGRAPHS

ATTACHMENT II

VIEW OF SUBJECT- AUTOMATIC GATE



**VIEW OF SUBJECT- EQUIPMENT
PARKING**



VIEW OF SUBJECT- EQUIPMENT PARKING



VIEW OF SUBJECT- GRAVEL PARKING



Project/Parcel Number: Howell Avenue Extension: Parcel 9
County: Fulton
Photos Taken By/Date Taken: Ken Cantrell / April 9, 2019

VIEW OF SUBJECT



VIEW OF SUBJECT



VIEW OF ACQUISITION



LOCATION OF RELOCATED PARKING



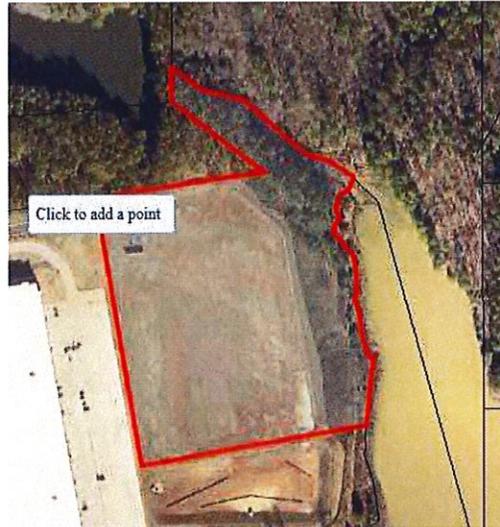
Project/Parcel Number: Howell Avenue Extension: Parcel 9
County: Fulton
Photos Taken By/Date Taken: Ken Cantrell / April 9, 2019

| ***** | | | |
|---|-----------------|---------------------|---------------------|
| PAR 9 - HOWELL FAIRBURN LLC REQ'D R/W DE10009 | | | |
| ***** | | | |
| PNT | OFFSET/ DIST | STATION/ BEARING | ALIGNMENT |
| ----- | | | |
| 110 | 13.51 L | 39+80.29 | HOWELL AVE |
| | 32.97 | N 34°42'35.9" W | |
| 33 | 42.76 L | 39+95.51 | HOWELL AVE |
| | 144.20 | N 45°17'18.4" E | |
| 101 | 257.36 L | 405+63.82 | FAIRBURN INDUSTRIAL |
| | 31.83 | S 88°53'16.9" E | |
| DE10053 | 29.00 R | 41+47.34 | HOWELL AVE |
| | 142.34 | S 27°48'14.7" W | |
| DE10054 | 29.00 R | 40+05.00 | HOWELL AVE |
| | 30.81 | S 7°22'04.3" E | |
| DE10055 | 104.14 L | 406+10.00 | FAIRBURN INDUSTRIAL |
| | 60.26 | N 61°44'43.2" W | |
| 110 | 13.51 L | 39+80.29 | HOWELL AVE |
| REQD R/W | • 8192.80 | SF | |
| REQD R/W | • 0.188 | ACRES | |
| REMAINDER | • +/- 1.70 | ACRES | |

| ***** | | | |
|---|-----------------|---------------------|---------------------|
| PAR 9 - HOWELL FAIRBURN LLC REQ'D TEMP. EASM'T. DE30009 | | | |
| ***** | | | |
| PNT | OFFSET/ DIST | STATION/ BEARING | ALIGNMENT |
| ----- | | | |
| DE10055 | 104.14 L | 406+10.00 | FAIRBURN INDUSTRIAL |
| DE10054 | 29.00 R | 40+05.00 | HOWELL AVE |
| DE10053 | 29.00 R | 41+47.34 | HOWELL AVE |
| DE30059 | 36.87 R | 41+51.30 | HOWELL AVE |
| DE10055 | 104.14 L | 406+10.00 | FAIRBURN INDUSTRIAL |
| REQD EASMT AREA | • 1957.54 | SF | |

COMPARABLE LAND SALES

ATTACHMENT IV

LAND COMPARABLE 1

Property Identification

| | |
|-------------------------|-------------------------|
| Property/Sale ID | 10924869/1399837 |
| Property Type | Industrial |
| Property Name | Vacant Industrial Land |
| Address | Bohannon Road |
| City, State Zip | Fairburn, Georgia 30213 |
| County | Fulton |
| Tax ID | 09F-0800-0028-047-6 |

Transaction Data

| | | | |
|------------------------|--------------------------|---------------------------|--------------|
| Sale Date | 10-02-2018 | Conditions of Sale | Arm's Length |
| Sale Status | Closed | Deed Book/Page | 59282 / 290 |
| Grantor | Fairburn Building B, LLC | Days on Market | n/a |
| Grantee | EXEL, Inc. | Sale Price | \$2,056,000 |
| Property Rights | Fee Simple | Adjusted Price | \$2,056,000 |
| Financing | Cash to Seller | | |

Property Description

| | | | |
|---------------------|--------------|------------------------|--------------------------------|
| Gross Acres | 15.82 | Visibility | Fair |
| Gross SF | 688,945 | Corner/Interior | Flag Lot |
| Front Feet | .00 | Shape | Irregular |
| Depth | 712.00 | Topography | Gently rolling/wooded |
| No. of Lots | 1 | Utilities | All available, including sewer |
| Proposed Use | Distribution | Drainage | Appears adequate |
| Access | Average | | |

| | | | |
|----------------------------|-------------------|---------------------------|------------------|
| Flood Hazard Zone | Zone X (unshaded) | Zoning Code | M-1 |
| Use Designation | Industrial | Zoning Description | Light Industrial |
| Zoning Jurisdiction | City of Fairburn | | |

Indicators

| | |
|-----------------------|-----------|
| \$/Gross Acre | \$129,995 |
| \$/Gross SF | \$2.98 |
| \$/Usable Acre | \$63,884 |

Verification

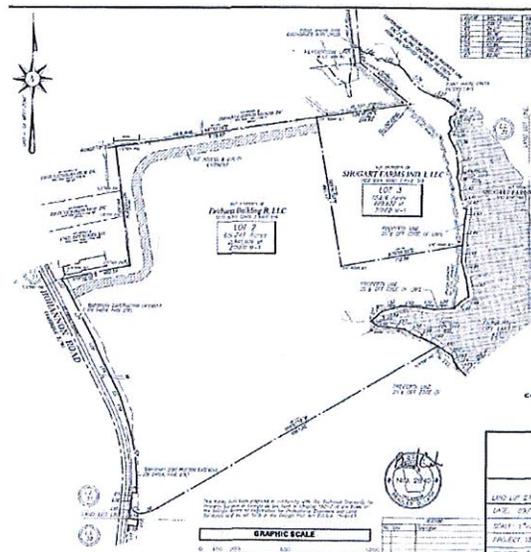
| | |
|------------------------|--------------------------|
| Confirmed With | Linda Booker, seller rep |
| Confirmed Phone | 404-262-5405 |

Remarks

This is the sale of a tract of graded industrial land situated off Bohannon Road. The site does not have any flood zone although a creek does form the eastern property boundary. The site was graded and ready for development. New distribution centers have been constructed in front of the property by the Fulton County Development Authority.

The sale was an arm's length transaction and there was no broker involved in the deal.

The property was purchased on the same day it was sold to EXEL. The seller, Fairburn Building B, purchased the site from Shugart Farms for \$1,581,600 and flipped it for construction of a new industrial building for EXEL's expansion. The site was one of three parcels sold by Shugart Farms with the other two larger sites being purchased by the Fulton County Development Authority.



LAND COMPARABLE 2

Property Identification

| | |
|-------------------------|--------------------------------|
| Property/Sale ID | 1027048/299592 |
| Property Type | Industrial |
| Property Name | 3800 Naturally Fresh Boulevard |
| Address | 3800 Naturally Fresh Boulevard |
| City, State Zip | College Park, Georgia 30349 |
| County | Fulton |
| Tax ID | 09F250801280377 |

Transaction Data

| | | | |
|--------------------|---|---------------------------|----------------|
| Sale Date | 07-17-2017 | Property Rights | Fee Simple |
| Sale Status | Closed | Financing | Cash to Seller |
| Grantor | Laurence E. Mansfield, III & NFB Development, LLC | Conditions of Sale | Arm's Length |
| Grantee | PME Oakmont Airport Logistics, LLC | Deed Book/Page | 57775-438 |
| | | Sale Price | \$1,117,200 |
| | | Adjusted Price | \$1,117,200 |

Property Description

| | | | |
|---------------------|------------|----------------------------|------------------------------------|
| Gross Acres | 8.95 | Corner/Interior | Corner |
| Gross SF | 389,862 | Shape | L-Shaped |
| Usable Acres | 8.95 | Topography | Generally level |
| Usable SF | 389,862 | Utilities | All public utilities are available |
| Front Feet | 681.00 | Drainage | Appears adequate |
| Depth | 570.00 | Zoning Jurisdiction | College Park |
| No. of Lots | 1 | Zoning Code | M-1 |
| Proposed Use | Industrial | Zoning Description | Light Industrial |
| Access | Average | | |
| Visibility | Average | | |

Indicators

| | |
|-----------------------|-----------|
| \$/Gross Acre | \$124,827 |
| \$/Gross SF | \$2.87 |
| \$/Usable Acre | \$124,827 |
| \$/Usable SF | \$2.87 |

Verification

| | |
|------------------------|--|
| Confirmed With | Listing Broker for Collier; PT-61; Limited Warranty Deed' Tax Record |
| Confirmed Phone | 404-87-9279 |

Remarks

This industrial site is located in a pocket of industrial uses situated west of the I-285/I-85 interchange in the College Park area of Fulton County. The land was partially cleared and graded at the time of sale. Purchased for development with an industrial-distribution use.

LAND COMPARABLE 3



Property Identification

| | |
|-------------------------|-----------------------|
| Property/Sale ID | 10926124/1400618 |
| Property Type | Industrial |
| Property Name | Industrial Land Sale |
| Address | 1540 Senoia Road |
| City, State Zip | Tyrone, Georgia 30290 |
| County | Fayette |
| Tax ID | 072605006 |

Transaction Data

| | | | |
|------------------------|-------------------------------------|---------------------------|----------------|
| Sale Date | 12-17-2018 | Financing | Cash to Seller |
| Sale Status | Closed | Conditions of Sale | Arm's Length |
| Grantor | MCF Georgia II, LLC | Deed Book/Page | 4824 / 621 |
| Grantee | Kenneth Spivey, Jr. & Sylvia Spivey | Days on Market | 1656 |
| Property Rights | Fee Simple | Sale Price | \$147,500 |
| | | Adjusted Price | \$147,500 |

Property Description

| | | | |
|------------------------|------------------|----------------------------|---|
| Gross Acres | 1.61 | Utilities | All available, including sewer |
| Gross SF | 70,132 | Drainage | Appears adequate |
| Front Feet | 150.00 | Flood Hazard Zone | Zone X |
| Proposed Use | Office Warehouse | Use Designation | Light Industrial |
| Access | Average | Zoning Jurisdiction | City of Tyrone |
| Visibility | Average | Zoning Code | C-2, Commercial |
| Corner/Interior | Mid-Block | Zoning Description | A mix of commercial and light industrial uses |
| Shape | Triangular | | |
| Topography | Level | | |

Indicators

| | |
|----------------------|----------|
| \$/Gross Acre | \$91,615 |
| \$/Gross SF | \$2.10 |

Verification

| | |
|------------------------|----------------------|
| Confirmed With | Taylor Josey, broker |
| Confirmed Phone | 770-683-1800 |

Remarks

The sale was located in the Powers Court Business Park. It has a C-2 zoning but the uses in the park are all office warehouse or light industrial. The park is located on a dead end street with no traffic counts. The site was located at the end at the cul-de-sac. It was purchased for development of an office warehouse. The site had been on the market for almost five years and sold for 92% of its original asking price.

No sales in the past three years



LAND COMPARABLE 4



Property Identification

| | |
|-------------------------|----------------------------------|
| Property/Sale ID | 1027204/299687 |
| Property Type | Industrial |
| Property Name | Vacant Land |
| Address | 4785 Fulton Industrial Boulevard |
| City, State Zip | Atlanta, Georgia 30336 |
| County | Fulton |
| Tax ID | 14F0084 LL0542 |

Transaction Data

| | | | |
|------------------------|--------------------------------------|---------------------------|----------------|
| Sale Date | 02-10-2017 | Financing | Cash to Seller |
| Sale Status | Closed | Conditions of Sale | Arm's Length |
| Grantor | Harvey H.L. Weng & Susie Li Hong Liu | Deed Book/Page | 57186-325 |
| Grantee | TSD RE No 1 LLC | Days on Market | 1,723 |
| Property Rights | Fee Simple | Sale Price | \$750,000 |
| | | Adjusted Price | \$750,000 |

Property Description

| | | | |
|---------------------|--|--------------------------|-----------------------|
| Gross Acres | 11.74 | Rail Access | No |
| Gross SF | 511,394 | Water/Port Access | No |
| Usable Acres | 11.74 | Access | Good |
| Usable SF | 511,394 | Visibility | Good |
| Front Feet | 933.00 | Corner/Interior | Corner |
| Depth | 500.00 | Shape | Irregular |
| No. of Lots | 1 | Topography | Gently rolling/wooded |
| Proposed Use | Diesel truck service and repair facility | Utilities | All Available |
| | | Drainage | Appears adequate |

| | | | |
|----------------------------|-------------------|---------------------------|------------------|
| Flood Hazard Zone | Zone X (unshaded) | Zoning Code | M2 |
| Use Designation | Industrial | Zoning Description | Light Industrial |
| Zoning Jurisdiction | Fulton County | | |

Indicators

| | |
|-----------------------|----------|
| \$/Gross Acre | \$63,884 |
| \$/Gross SF | \$1.47 |
| \$/Usable Acre | \$63,884 |
| \$/Usable SF | \$1.47 |

Verification

| | |
|------------------------|-------------------------------|
| Confirmed With | Matthew Levin, Listing Broker |
| Confirmed Phone | (770) 209-1700 |

Remarks

This is the sale of a tract of undeveloped and wooded industrial land situated at the northern corner of the intersection of Fulton Industrial Boulevard and Wharton Drive. There is a small strip of the site inside of but following the Wharton Road frontage that is on Zone X but designated as "Other Flood Area" with a 02% annual chance of flooding. The property had been on the market for over 4.75 years at an asking price of \$999,999 and eventually sold at 75% of that asking price. The purchaser intends to construct a diesel truck service facility.

To be filed in **FULTON COUNTY** PT-61 060-2017-004681

| SECTION A - SELLER'S INFORMATION (Do not use agent's information) | | | | SECTION C - TAX COMPUTATION | |
|---|----------------------|--|---|--|-----------------|
| SELLER'S LAST NAME Weng | FIRST NAME Harvey | MIDDLE H. L. | Exempt Code If no exempt code enter NONE | NONE | |
| MAILING ADDRESS (STREET & NUMBER) 365 Patton Drive SW | | | 1. Actual Value of consideration received by seller Complete Line 1A if actual value unknown | \$750,000.00 | |
| CITY, STATE / PROVINCE / REGION, ZIP CODE, COUNTRY Atlanta, GA 30336 USA | | DATE OF SALE 2/10/2017 | 1A. Estimated fair market value of Real and Personal property | \$0.00 | |
| SECTION B - BUYER'S INFORMATION (Do not use agent's information) | | | | 2. Fair market value of Personal Property only | |
| BUYER'S BUSINESS / ORGANIZATION / OTHER NAME TSD RE No 1 LLC | | | 3. Amount of liens and encumbrances not removed by transfer | \$0.00 | |
| MAILING ADDRESS (Must use buyer's address for tax billing & notice purposes) 4785 Fulton Industrial Blvd | | | 4. Net Taxable Value (Line 1 or 1A less Lines 2 and 3) | \$750,000.00 | |
| CITY, STATE / PROVINCE / REGION, ZIP CODE, COUNTRY Atlanta, GA 30336 USA | | Check Buyers Intended Use () Residential () Commercial () Agricultural () Industrial | 5. TAX DUE at .10 per \$100 or fraction thereof (Minimum \$1.00) | \$750.00 | |
| SECTION D - PROPERTY INFORMATION (Location of Property (Street, Route, Hwy, etc)) | | | | | |
| HOUSE NUMBER & EXTENSION (ex 285A) 4785 | | PRE-DIRECTION, STREET NAME AND TYPE, POST DIRECTION Fulton Industrial Boulevard | | SUITE NUMBER | |
| COUNTY FULTON | | CITY (IF APPLICABLE) | | MAP & PARCEL NUMBER 14F-0084-LL-054-2 | ACCOUNT NUMBER |
| TAX DISTRICT | OMD | LAND DISTRICT | ACRES | LAND LOT 57 and 84 | SUB LOT & BLOCK |
| SECTION E - RECORDING INFORMATION (Official Use Only) | | | | | |
| DATE | DEED BOOK 57186 | DEED PAGE 325 | PLAT BOOK | PLAT PAGE | |

ADDITIONAL BUYERS
None

LAND COMPARABLE 5



Property Identification

| | |
|-------------------------|-------------------------------|
| Property/Sale ID | 1027864/300053 |
| Property Type | Industrial |
| Property Name | 2844 Sullivan Road |
| Address | 2844 Sullivan Road |
| City, State Zip | College Park, Georgia 30337 |
| County | Fulton |
| Tax ID | 130062LL0264 and 130062LL0462 |

Transaction Data

| | | | |
|------------------------|-------------------------|---------------------------|----------------|
| Sale Date | 08-11-2016 | Financing | Cash to Seller |
| Sale Status | Closed | Conditions of Sale | Arm's Length |
| Grantor | Gini Lynn Craft | Deed Book/Page | 56514-668 |
| Grantee | Sullivan Assemblage LLC | Sale Price | \$300,000 |
| Property Rights | Fee Simple | Adjusted Price | \$300,000 |

Property Description

| | | | |
|---------------------|------------|----------------------------|------------------------------------|
| Gross Acres | 4.00 | Corner/Interior | Corner |
| Gross SF | 174,240 | Shape | Semi-Rectangular |
| Usable Acres | 4.00 | Topography | Level |
| Usable SF | 174,240 | Utilities | All public utilities are available |
| Front Feet | 245.00 | Drainage | Appears adequate |
| Depth | 595.00 | Zoning Jurisdiction | City of College Park |
| No. of Lots | 2 | Zoning Code | LI |
| Proposed Use | Industrial | Zoning Description | Light Industrial |
| Access | Average | | |
| Visibility | Average | | |

Indicators

| | |
|-----------------------|----------|
| \$/Gross Acre | \$75,000 |
| \$/Gross SF | \$1.72 |
| \$/Usable Acre | \$75,000 |

Verification

| | |
|------------------------|--------------------------|
| Confirmed With | Michael Dvorscak, Broker |
| Confirmed Phone | 678-444-0101 |

Remarks

According to the broker, the property sold for \$75,000 per acre for four acres. The property was zoned light industrial at the time of sale. This sale consists of two parcels and the property is located in the city limits of College Park. The buyer was planning to build an industrial building.

COMPARABLE IMPROVED SALES

ATTACHMENT V

INDUSTRIAL COMPARABLE 1

Property Identification

| | |
|---------------------------|-------------------------------|
| Property/Sale ID | 130350/100962 |
| Property Type | Industrial Garage |
| Property Name | Transcorr /Venture Logistics |
| Address | 297 Fairburn Industrial Blvd. |
| City, State Zip | Fairburn, Georgia 30213 |
| County | Fulton |
| MSA | Atlanta |
| Latitude/Longitude | 33.554667/-84.588565 |
| Tax ID | 09F-0901-0048-0769 |

Transaction Data

| | | | |
|------------------------|--|----------------------------|----------------|
| Sale Date | 11-10-2017 | Financing | Cash to Seller |
| Sale Status | Closed | Conditions of Sale | Arm's Length |
| Grantor | Trustees of the Ruttle Retirement Benefit Scheme | Deed Book/Page | 58152-0081 |
| Grantee | Wholesalers Property Co LLC | Days on Market | 45 months |
| Property Rights | Fee Simple | Sale Price | \$1,150,000 |
| | | Expenses After Sale | \$0 |
| | | Adjusted Price | \$1,150,000 |

Property Description

| | | | |
|--------------------------|-------|-----------------------------|---------|
| Gross Building SF | 7,800 | Building Condition | Average |
| Net Rentable SF | 7,800 | Year Built | 1997 |
| No. of Units | 1 | Effective Age (est.) | 15 |
| Stories | 1 | Investment Class | B |

| | | | |
|------------------------------|-------|-----------------------------|---------------------|
| Office Space % | 28.6% | Gross Land to Bldg | 35.80 |
| Clear Height (Ft) | 16.00 | Density (Units/Acre) | 0.16 |
| Drive-In Doors | 2 | Traffic Count/VPD | 11,440 |
| Rail Access | No | Access | Average |
| Water/Port Access | No | Visibility | Average |
| Parking Spaces | 40 | Signalized Corner | No |
| Pkg/1,000 SF NRA | 5.13 | Flood Hazard Zone | Zone X |
| Gross Acres | 6.41 | Zoning Jurisdiction | City of Fairburn |
| Usable Acres | 6.41 | Zoning Code | M-2 |
| Flr. Area Ratio (FAR) | 0.03 | Zoning Description | Heavy Manufacturing |
| Land Cov. Rat. (LCR) | 2.51% | | |

Financial Data & Indicators (Actual)

| | | | |
|-----------------|-----------|---------------------------|-----------|
| EGI | \$102,000 | NOI/Unit | \$102,000 |
| Expenses | \$0 | OAR | 8.87% |
| NOI | \$102,000 | Reserves Included? | No |
| EGIM | 11.274 | Reserves | \$1,170 |
| NOI/SF | \$13.08 | | |

Transaction Indicators

| | | | |
|------------------|----------|--------------------------|-------------|
| \$/SF GBA | \$147.44 | \$/Unit | \$1,150,000 |
| \$/SF NRA | \$147.44 | Occupancy at Sale | 100.0% |

Verification

| | |
|------------------------|-----------------------|
| Confirmed With | Arthur Ruttle, Seller |
| Confirmed Phone | 404-346-0011 |

Remarks

There were no sales of the property within the past three years.

This property sold as a single tenant Investment with a cap rate of 8.87%. The term and other lease details for the tenant were not disclosed. The buyer was particularly motivated because the current improvements sit on a 6.41 acre lot, and there are plans for additional improvements in the range of 20,000-40,000 square feet.

INDUSTRIAL COMPARABLE 2



Property Identification

| | |
|---------------------------|-----------------------------|
| Property/Sale ID | 10925762/1400389 |
| Property Type | Office, Warehouse |
| Property Name | Industrial Office Warehouse |
| Address | 100 Howell Avenue |
| City, State Zip | Fairburn, Georgia 30213 |
| County | Fulton |
| MSA | Atlanta |
| Latitude/Longitude | 33.555316/-84.586777 |
| Tax ID | 09F-0901-0048-042-1 |

Transaction Data

| | | | |
|------------------------|-----------------------------------|---------------------------|----------------|
| Sale Date | 02-26-2019 | Financing | Cash to Seller |
| Sale Status | Closed | Conditions of Sale | Arm's Length |
| Grantor | Howell Fairburn, LLC | Deed Book/Page | 59746 / 98 |
| Grantee | Herman Investments & Holding, LLC | Days on Market | n/a |
| Property Rights | Leased Fee | Sale Price | \$700,000 |
| | | Adjusted Price | \$700,000 |

Property Description

| | | | |
|---------------------------|--------------|--------------------------|---------------|
| Gross Building SF | 4,820 | Occupancy Type | Single-tenant |
| Net Rentable SF | 4,820 | Office Space % | 19.0% |
| No. of Units | 1 | Clear Height (Ft) | 14.00 |
| Stories | 1 | Drive-In Doors | 2 |
| Building Condition | Fair-Average | Sprinklers | None |
| Year Built | 1981 | Parking Spaces | 10 |
| Investment Class | D | Pkg/1,000 SF NRA | 2.07 |

| | | | |
|------------------------------|---------|----------------------------|-----------------------------|
| Gross Acres | 2.25 | Visibility | Average |
| Usable Acres | 2.25 | Signalized Corner | No |
| Flr. Area Ratio (FAR) | 0.05 | Flood Hazard Zone | Zone X |
| Gross Land to Bldg | 20.29 | Zoning Jurisdiction | City of Fairburn |
| Density (Units/Acre) | 0.45 | Zoning Code | M-2, Industrial |
| Access | Average | Zoning Description | General Industrial District |

Transaction Indicators

| | | | |
|------------------|----------|--------------------------|-----------|
| \$/SF GBA | \$145.23 | \$/Unit | \$700,000 |
| \$/SF NRA | \$145.23 | Occupancy at Sale | 100.0% |

Verification

| | |
|------------------------|---------------------|
| Confirmed With | Brad Kaufman, buyer |
| Confirmed Phone | 470-278-8433 |

Remarks

The property was purchased by the adjoining landowner as an investment and for potential expansion of their paving business. The site is fenced and is set up for a landscaping and grading business. The office interior is dated with older interior finishes and is in fair to average condition.

The property had sold in March of 2017 for \$275,000. The site was purchased by the adjoining property owner.

The purchaser is leasing the office warehouse and a portion of the property to a landscape company and the remaining property is leased to the owner's milling division of his paving company.



INDUSTRIAL COMPARABLE 3



Property Identification

| | |
|---------------------------|-------------------------|
| Property/Sale ID | 10926831/1401071 |
| Property Type | Office, Warehouse |
| Property Name | Office Warehouse |
| Address | 8105 Williams Road |
| City, State Zip | Palmetto, Georgia 30268 |
| County | Fulton |
| MSA | Atlanta |
| Latitude/Longitude | 33.535333/-84.626713 |
| Tax ID | 07-2900-0133-170-3 |

Transaction Data

| | | | |
|------------------------|-------------------------------|---------------------------|----------------|
| Sale Date | 11-29-2018 | Financing | Cash to Seller |
| Sale Status | Closed | Conditions of Sale | Arm's Length |
| Grantor | Vineland Construction Company | Deed Book/Page | 59509 / 37 |
| Grantee | JB Hunt Transportation | Days on Market | 420 |
| Property Rights | Fee Simple | Sale Price | \$2,925,000 |
| | | Adjusted Price | \$2,925,000 |

Property Description

| | | | |
|---------------------------|---------------|------------------------------|-------|
| Gross Building SF | 16,978 | Drive-In Doors | 12 |
| Net Rentable SF | 16,978 | Warehouse AC % | 36.0% |
| Building Condition | Average | Parking Spaces | 30 |
| Year Built | 1998 | Pkg/1,000 SF NRA | 1.77 |
| Investment Class | D | Gross Acres | 11.69 |
| Occupancy Type | Single-tenant | Usable Acres | 8.00 |
| Office Space % | 36.0% | Flr. Area Ratio (FAR) | 0.03 |

| | | | |
|---------------------------|---------|----------------------------|------------------------------------|
| Gross Land to Bldg | 30.00 | Zoning Jurisdiction | Fulton County |
| Access | Average | Zoning Code | M-2, Heavy Industrial |
| Visibility | Average | Zoning Description | A wide variety of industrial uses. |
| Signalized Corner | No | | |
| Flood Hazard Zone | Zone X | | |

Transaction Indicators

| | | | |
|------------------|----------|------------------|----------|
| \$/SF GBA | \$172.28 | \$/SF NRA | \$172.28 |
|------------------|----------|------------------|----------|

Verification

| | |
|------------------------|-----------------------------------|
| Confirmed With | Anne Koons, VP; Vineland trucking |
| Confirmed Phone | 856-794-4500 |

Remarks

There were no sales of the property in the past three years.

The property was sold to JB Hunt for its trucking operations on the south side of Atlanta. The property had been an investment property and was leased to Williams Scotsman for several years. The tenant moved out in 2015 and the property was on the market for over a year. The site has a substantial area of open parking for large trucks and trailers.



INDUSTRIAL COMPARABLE 4

Property Identification

| | |
|---------------------------|---|
| Property/Sale ID | 10926848/1401078 |
| Property Type | Office, Warehouse |
| Property Name | Office Warehouse |
| Address | 7735 Bishop Road |
| City, State Zip | Fairburn, Georgia 30213 |
| County | Fulton |
| MSA | Atlanta |
| Latitude/Longitude | 33.543462/-84.619723 |
| Tax ID | 07-2900-0155-117 and 07-2900-0155-117-7 |

Transaction Data

| | | | |
|------------------------|-------------------------|---------------------------|--------------|
| Sale Date | 08-31-2016 | Conditions of Sale | Arm's Length |
| Sale Status | Closed | Deed Book/Page | 56608 / 665 |
| Grantor | Decision Resources, LLC | Days on Market | 747 |
| Grantee | CPI Enterprises, Inc. | Sale Price | \$1,600,000 |
| Property Rights | Fee Simple | Adjusted Price | \$1,600,000 |
| Financing | Cash to Seller | | |

Property Description

| | | | |
|---------------------------|---------------|------------------------------|---------|
| Gross Building SF | 10,000 | Drive-In Doors | 4 |
| Net Rentable SF | 10,000 | Warehouse AC % | 26.0% |
| Building Condition | Average | Parking Spaces | 16 |
| Year Built | 1999 | Pkg/1,000 SF NRA | 1.60 |
| Investment Class | D | Gross Acres | 9.29 |
| Occupancy Type | Single-tenant | Flr. Area Ratio (FAR) | 0.02 |
| Office Space % | 26.0% | Gross Land to Bldg | 40.47 |
| Clear Height (Ft) | 24.00 | Access | Average |

| | | | |
|--------------------------|---------|----------------------------|------------------|
| Visibility | Average | Zoning Jurisdiction | City of Fairburn |
| Signalized Corner | No | Zoning Code | M-2, Industrial |
| Flood Hazard Zone | Zone X | | |

Transaction Indicators

| | | | |
|------------------|----------|------------------|----------|
| \$/SF GBA | \$160.00 | \$/SF NRA | \$160.00 |
|------------------|----------|------------------|----------|

Verification

| | |
|------------------------|--------------------|
| Confirmed With | Rick Sewell, agent |
| Confirmed Phone | 770-463-4667 |

Remarks

There were no sales of the property within the past three years.

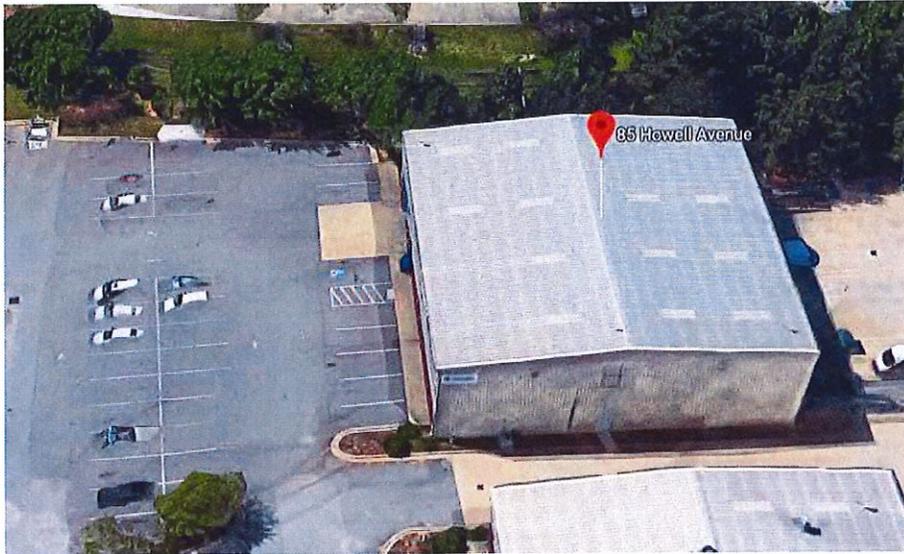
This sale is an arm's length sale of a trucking facility. It has over eight acres of gravel parking. The building has 6,400 square feet of shop area for truck and trailer repair and a 2,600 square foot office area. The site is fully fenced with an automatic gate. The building was in average condition when sold. It had been listed for \$2,200,000 and sold in 747 days for 73% of its asking price.



COMPARABLE RENTALS

ATTACHMENT VI

INDUSTRIAL RENT COMPARABLE 1



Property Identification

| | |
|---------------------------|-------------------------|
| Property/Rent ID | 10926694/429943 |
| Property Type | Industrial |
| Property Name | Office Warehouse Rental |
| Address | 85 Howell Avenue |
| City, State Zip | Fairburn, Georgia 30213 |
| County | Fulton |
| MSA | Atlanta |
| Latitude/Longitude | 33.556672/-84.588689 |
| Tax ID | 09F-0800-0031-21-6 |

Transaction Data

| | | | |
|--------------------------|------------|---------------------------|--------|
| Lessee | Gexpro | Lease Type | NNN |
| Tenant SF | 10,000 | Rent Escalation | 3.0% |
| Entire Bldg Lease | Yes | Property Occupancy | 100.0% |
| Lease Status | Executed | | |
| Lease Signed | 01-13-2018 | | |
| Commencement | 03-14-2018 | | |
| Expiration | 03-13-2021 | | |
| Term (mos.) | 36 | | |

Rental Rates

| | |
|--------------------------|--------|
| Initial Rent/SF | \$4.25 |
| Current Rent/SF | \$4.25 |
| Effective Rent/SF | \$4.25 |

Property Description

| | | | |
|--------------------------|--------|-------------------------|------|
| Gross Building SF | 10,000 | Year Built | 1997 |
| Net Rentable SF | 10,000 | Investment Class | D |

| | | | |
|---------------------------|---------------|------------------------------|-----------|
| Occupancy Type | Single-tenant | Pkg/1,000 SF GBA | 1.60 |
| Building Quality | Average | Pkg/1,000 SF NRA | 1.60 |
| Building Condition | Average | Gross Acres | 1.86 |
| Stories | 1 | Flr. Area Ratio (FAR) | 0.12 |
| Units | 1 | Land to Bldg Ratio | 8.10 |
| Dock-High Doors | 1 | Access | Average |
| Drive-In Doors | 3 | Visibility | Average |
| Parking Spaces | 16 | Corner/Interior | Mid-Block |
| Signalized Corner | No | | |

Verification

Confirmed With Taylor Josey, Broker

Remarks

The comparable contains 10,000 SF of warehouse space with 20 foot ceilings. This building has approximately 20% office space with multiple drive in doors to the warehouse.

The lease is a three-year NNN lease with 3.0% escalations.

INDUSTRIAL RENT COMPARABLE 2



Property Identification

| | |
|---------------------------|-------------------------|
| Property/Rent ID | 10926687/429941 |
| Property Type | Industrial |
| Property Name | 614 Bohannan Road |
| Address | 614 Bohannan Road |
| City, State Zip | Fairburn, Georgia 30213 |
| County | Fulton |
| MSA | Atlanta |
| Latitude/Longitude | 33.548218/-84.592741 |
| Tax ID | 09F-0800-0031-21-6 |

Transaction Data

| | | | |
|--------------------------|----------------------|---------------------------|--------|
| Lessor | EVCO Industries, LLC | Lease Type | NNN |
| Lessee | Golden Metals | Rent Escalation | 3.0% |
| Tenant SF | 14,550 | Property Occupancy | 100.0% |
| Entire Bldg Lease | Yes | | |
| Lease Status | Executed | | |
| Lease Signed | 05-01-2017 | | |
| Commencement | 08-02-2017 | | |
| Expiration | 08-01-2022 | | |
| Term (mos.) | 60 | | |

Rental Rates

| | |
|--------------------------|--------|
| Initial Rent/SF | \$4.45 |
| Current Rent/SF | \$4.45 |
| Effective Rent/SF | \$4.45 |

Property Description

| | | | |
|--------------------------|---------------|---------------------------|---------|
| Gross Building SF | 14,550 | Building Quality | Average |
| Net Rentable SF | 14,550 | Building Condition | Average |
| Year Built | 1997 | Stories | 1 |
| Investment Class | D | Units | 1 |
| Occupancy Type | Single-tenant | Dock-High Doors | 1 |

| | | | |
|--------------------------|------|------------------------------|-----------|
| Drive-In Doors | 3 | Flr. Area Ratio (FAR) | 0.18 |
| Parking Spaces | 16 | Land to Bldg Ratio | 5.57 |
| Pkg/1,000 SF GBA | 1.10 | Access | Average |
| Pkg/1,000 SF NRA | 1.10 | Visibility | Average |
| Gross Acres | 1.86 | Corner/Interior | Mid-Block |
| Signalized Corner | No | | |

Verification

Confirmed With Pat Murphy, Broker

Remarks

The comparable contains 14,550 SF of warehouse space with 20 foot ceilings. This building does not have any office space and is a warehouse with multiple drive in doors.

The lease is a five-year NNN lease with 3.0% escalations.



INDUSTRIAL RENT COMPARABLE 3

Property Identification

| | |
|---------------------------|-------------------------|
| Property/Rent ID | 1020819/178443 |
| Property Type | Industrial |
| Property Name | Office Warehouse Rental |
| Address | 612 Bohannon Road |
| City, State Zip | Fairburn, Georgia 30213 |
| County | Fulton |
| MSA | Atlanta |
| Latitude/Longitude | 33.548218/-84.592741 |
| Tax ID | 09F-0800-0031-67-9 |

Transaction Data

| | | | |
|--------------------------|----------------------|---------------------------|--------|
| Lessor | EVCO Industries, LLC | Lease Type | NNN |
| Lessee | Cinema Vehicles | Rent Escalation | 3.0% |
| Tenant SF | 13,761 | Property Occupancy | 100.0% |
| Entire Bldg Lease | Yes | | |
| Lease Status | Executed | | |
| Lease Signed | 05-01-2017 | | |
| Commencement | 08-02-2017 | | |
| Expiration | 08-01-2022 | | |
| Term (mos.) | 60 | | |

Rental Rates

| | |
|--------------------------|--------|
| Initial Rent/SF | \$4.95 |
| Current Rent/SF | \$4.95 |
| Effective Rent/SF | \$4.95 |

Property Description

| | | | |
|--------------------------|---------------|---------------------------|------------|
| Gross Building SF | 11,578 | Building Quality | Average |
| Net Rentable SF | 11,578 | Building Condition | Average |
| Year Built | 1997 | Stories | 2 (office) |
| Investment Class | D | Units | 1 |
| Occupancy Type | Single-tenant | Office Ratio | 28.2% |

Dock-High Doors 1
Drive-In Doors 3
Parking Spaces 24
Pkg/1,000 SF GBA 2.07
Pkg/1,000 SF NRA 2.07
Gross Acres 1.04
Signalized Corner No

Flr. Area Ratio (FAR) 0.26
Land to Bldg Ratio 3.92
Access Average
Visibility Average
Corner/Interior Mid-Block

Verification

Confirmed With Pat Murphy, Broker

Remarks

The comparable contains 9,874 SF of warehouse space with 20 foot ceilings. There are also truck scales in the yard area according to the broker.

The lease is a five-year NNN lease with 3.0% escalations. There is a renewal clause in the lease for extension.

INDUSTRIAL RENT COMPARABLE 4

Property Identification

| | |
|---------------------------|------------------------------|
| Property/Rent ID | 10927083/430159 |
| Property Type | Office, Warehouse |
| Property Name | Industrial Office Warehouse |
| Address | 222 Fairburn Industrial Blvd |
| City, State Zip | Fairburn, Georgia 30213 |
| County | Fulton |
| MSA | Atlanta |
| Latitude/Longitude | 33.554756/-84.585959 |
| Tax ID | 09F-0901 0048-1 056 |

Transaction Data

| | | | |
|---------------------|-------------------------------|---------------------------|--------|
| Lessor | Hicks & Jarrell Holdings, LLC | Lease Type | NNN |
| Lessee | Pita Distribution | Rent Escalation | 3.0% |
| Tenant SF | 13,734 | Property Occupancy | 100.0% |
| Lease Status | Executed | Rental Rates | |
| Lease Signed | 06-01-2017 | Initial Rent/SF | \$7.50 |
| Commencement | 07-01-2017 | Current Rent/SF | \$7.50 |
| Expiration | 06-30-2022 | Effective Rent/SF | \$7.50 |
| Term (mos.) | 60 | | |

Property Description

| | | | |
|--------------------------|---------------|---------------------------|--------------|
| Gross Building SF | 13,734 | Building Quality | Average |
| Net Rentable SF | 13,734 | Building Condition | Fair-Average |
| Year Built | 2001 | Stories | 1 |
| Investment Class | D | Office Ratio | 25.0% |
| Occupancy Type | Single-tenant | Clear Height (ft) | 16.00 |

| | | | |
|--------------------------|------|------------------------------|-----------|
| Drive-In Doors | 4 | Flr. Area Ratio (FAR) | 0.28 |
| Sprinklers | None | Land to Bldg Ratio | 3.58 |
| Parking Spaces | 32 | Access | Average |
| Pkg/1,000 SF GBA | 2.33 | Visibility | Average |
| Pkg/1,000 SF NRA | 2.33 | Corner/Interior | Mid-Block |
| Gross Acres | 1.13 | | |
| Signalized Corner | No | | |

Verification

Confirmed With Taylor Josey, Broker

Remarks

The building has five drive-in doors and is average quality office warehouse. The site has adequate parking but is not designed for large truck traffic.

This lease is a five-year term with 3.0% escalations. The use is light industrial and the property has a low land to building ratio.



Cost to Cure and Mitigation Study
Due to Right of Way Acquisition

April 2019



City of Fairburn
Howell Avenue Extension
New Location Project
Fulton County, Georgia

Prepared for: City of Fairburn
Project ID No.: 1015-17-66
Parcel No.: 9 & 10
Owner: Howell Fairburn, L.L.C.
Fulton County, Georgia
March 04, 2019

Revision 1: April 21, 2019

PE-2019-03-015



PALACIOS ENGINEERING
CIVIL ENGINEERING CONSULTANTS

Cost to Cure and Mitigation Study
Due to Right of Way Acquisition

April 2019



This document is the property of

PALACIOS ENGINEERING, INC.
226 Middleton Place
Grayson, Georgia 30017

Tel 770-845-5345

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March 04, 2019

Revision 1: April 21, 2019



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Executive Summary

The following report is a Site Analysis - Mitigation Report and Cost-To-Cure Estimate for an industrial property impacted by the City of Fairburn's Right of Way acquisition and proposed road improvements near the intersection of S.R. 74 / Senoia Road and Howell Avenue Extension. The subject property is identified on the City of Fairburn's drawings as Parcel(s) No. 9 & 10, which are located on the north east quadrant formed by the intersection of S.R. 74 / Senoia Road and the Howell Avenue Extension a.k.a. 98 Howell Road, Fairburn, Fulton County, Georgia.

Palacios Engineering, Inc., conducted an inspection of the property on 02/24/2019. Our subsequent analysis included the photographic documentation of existing improvements. We reviewed Right-of-Way plans prepared for the City of Fairburn by Southeastern Engineering Inc. (dated 01/31/2019 and transmitted electronically on 02/27/2019) to determine the required Right-of-Way Acquisition and Easements Requirements of the proposed road improvement project. Palacios Engineering then prepared an "Existing Conditions and Proposed Mitigation Plan" and a "Cost to Cure Estimate".

Palacios Engineering, Inc. sincerely appreciates the opportunity to provide you with this analysis and look forward to working with you and your company.

If you need any additional information regarding this project or if you have any questions regarding the information presented in this document, please feel free to contact:

Ricardo Palacios, P.E.
Palacios Engineering, Inc.
226 Middleton Place
Grayson, GA 30017

Tel. 770.845.5345
E-mail. rpalacios@palacioseng.com



Cost to Cure and Mitigation Study
Due to Right of Way Acquisition

April 2019

Project Scope

- I. Identify Existing Site Improvements
- II. Create Photographic Record of Existing Site Improvements
- III. Mitigate Impacted Site Improvements
- IV. Prepare Cost-to-Cure Estimates for Mitigated Impacts



Existing Conditions

The subject Parcel(s) 9 & 10 are located at 98 Howell Avenue, Fairburn, Fulton County, Georgia. The subject Parcel 9 contains a one-story building encompassing approximately 10,000 s.f. and arranged approximately as shown on the attached drawing CTC 1 of 1.

The north side building contains a parking area spanning Parcel(s) 9 & 10 which accommodates a total 25 parking spaces, the south side of the building contains an additional 4 parking spaces and outdoor storage area, arranged approximately as shown on the attached drawing CTC 1 of 1.

The subject Parcel 9 is currently accessible through a main driveway located along the Howell Avenue road frontage.

The perimeter of the property is secured by a 6' high chain link fence with 3 strand barbed wire and is accessible through a sliding gate located across the existing driveway. The fence is protected by a series of 2.5' x 2.5 x 5' pre-cast stackable concrete blocks arranged as shown on the attached drawing CTC 1 of 1.



Impacts

Because of the City of Fairburn's required Right of Way and Temporary Easements along the Howell Road Extension frontage, the following site improvements will be impacted:

- 6' High chain link fence with 3 strand barbed wire located along the Howell Avenue frontage will need to be at least demolished by the City of Fairburn as needed to clear the required Right of Way and Temporary Easement.
- Gate controller and intercom system located on the main driveway will need to be relocated as needed to clear the required Right of Way and Temporary Easement.
- 2.5' x 2.5' x 5' pre-cast stackable concrete blocks located along the western perimeter of the property will need to be relocated as needed to clear the required Right of Way and Temporary Easement.
- Gravel parking area located along the Howell Avenue frontage and outside of the secured perimeter will need to be relocated as needed to clear the required Right of Way and Temporary Easement.



Recommendations

To mitigate impacts to existing improvements resulting from the City of Fairburn's required Right of Way and Temporary Easement along the Howell Road Extension frontage, Palacios Engineering recommends the property owner make the following changes, as needed, to maintain maximum utility of the remaining property:

- 6' High chain link fence with 3 strand barbed wire located along the Howell Avenue frontage will need to be at least demolished by the City of Fairburn as needed to clear the required Right of Way and Temporary Easement. Prior to commencement of C.O.F. road construction, Palacios Engineering recommends the property owner erect a new 30' wide permanent sliding gate, personnel gate, and 6' high chain link gate with 3 strand barbed wire, as shown on the attached drawing CTC 1 of 1. We then recommend the property owner erect approximately 180 l.f. of temporary chain link fence to maintain a secured perimeter, the temporary fence sections should be erected as needed to clear the required Right of Way and Temporary Easements, approximately as shown on the attached drawing CTC 1 of 1 and maintained during periods of C.O.F. road construction.

After completion of C.O.F. road construction we recommend the property owner demolish the 180 l.f. of temporary fencing and erect new 240 l.f. of permanent chain link fence parallel to the required Right of Way, approximately as shown on the attached drawing CTC 1 of 1.

- Gate controller and intercom system located on the main driveway will need to be relocated as needed to clear the required Right of Way and Temporary Easement. Prior to commencement of C.O.F. road construction and in conjunction with relocation of the gates, Palacios Engineering recommends the property owner relocate gate controllers, motors etc. as needed to clear the required Right of Way and Temporary Easements, approximately as shown on the attached drawing CTC 1 of 1.
- 2.5' x 2.5' x 5' pre-cast stackable concrete blocks located along the western perimeter of the property will need to be relocated as needed to clear the required Right of Way and Temporary Easement. Palacios



**Cost to Cure and Mitigation Study
Due to Right of Way Acquisition****April 2019**

Engineering recommends the property owner relocate the existing pre-cast concrete blocks as needed to protect the temporary fence during periods of C.O.F. road construction.

After completion of road construction, demolition of the temporary fence and construction of the new permanent fence, we recommend the property owner relocate the existing pre-cast concrete blocks again, as shown on the attached drawing CTC 1 of 1.

- Gravel parking area located along the Howell Avenue frontage and outside of the secured perimeter will need to be relocated as needed to clear the required Right of Way and Temporary Easement. Palacios Engineering recommends that the gravel parking area be relocated to the area east of the temporary fence and immediately south of the main access gate, as needed to maintain 10 gravel parking spaces outside of the required Temporary Easement, as shown on the attached drawing CTC 1 of 1.

After completion of road construction, demolition of the temporary fence and construction of the new permanent fence, relocated of the existing pre-cast concrete blocks, Palacios Engineering recommends that the gravel parking are be relocated to the east side of the permanent fence and south of the main driveway, as needed to maintain 6 gravel parking spaces outside of the Required Right of Way, as shown on the attached drawing CTC 1 of 1.

Therefore, the available gravel parking spaces along Howell Avenue will be reduced from the existing 15 parking spaces, to 10 parking spaces during periods of C.O.F. construction and to 6 parking spaces, after completion of C.O.F. construction. A reduction of 9 parking spaces.

The additional 9 parking spaces cannot be relocated within the remaining secured perimeter without interfering with re-fueling, storage and the internal circulation of the property.



Cost to Cure and Mitigation Study
Due to Right of Way Acquisition

April 2019

Cost to Cure Estimate

The following is a good faith estimate of the expenses to be incurred by the owner to maintain maximum utility of the remaining site and its improvements. This estimate is valid as of 04/21/2019 or as shown on the accompanying "Proposed Mitigation" drawing.

| Item Description | Unit | Qty. | Unit Price | Total Cost |
|---|------|--------|--|--------------------|
| Demolish Exist. Chain Link Fence (8' to 10' High) | LF. | 300.00 | \$4.40 | \$1,320.00 |
| Demolish Temp. Chain Link Fence (8' to 10' High) | LF. | 180.00 | \$4.40 | \$792.00 |
| New Temp. Chain Link Fence 6' High, 3 Strand Barbed | LF. | 180.00 | \$29.50 | \$5,310.00 |
| New Perm. Chain Link Fence 6' High, 3 Strand Barbed | LF. | 240.00 | \$29.50 | \$7,080.00 |
| New Chain Link Fence Gate 6' High, 3' Wide (Ind. Gar) | EA. | 1.00 | \$150.00 | \$150.00 |
| New Chain Link Fence Gate 6' High, 30' Wide (Cant.) | EA. | 1.00 | \$6,500.00 | \$6,500.00 |
| New Conc. Filled Bollard 6" | EA. | 6.00 | \$800.00 | \$4,800.00 |
| Relocate Exist. DKS Sliding Gate Operator | EA. | 1.00 | \$3,700.00 | \$3,700.00 |
| Relocate Exist. DKS PC Programmable Controller | EA. | 1.00 | \$1,750.00 | \$1,750.00 |
| Relocate Exist. DKS Mounting Post | EA. | 1.00 | \$500.00 | \$500.00 |
| Relocate Exist. DKS Miscellaneous Accessories | LUMP | 1.00 | \$3,500.00 | \$3,500.00 |
| Relocate Exist. Pre-Cast Stackable Concrete Blocks (2 EA. | | 10.00 | \$210.00 | \$2,100.00 |
| Relocate Exist. Pre-Cast Stackable Concrete Blocks (2 EA. | | 31.00 | \$210.00 | \$6,510.00 |
| Waste Handling / Disposal (6 C.Y., 2 Tons) | EA. | 1.00 | \$455.00 | \$455.00 |
| Supervision | WKS | 2.00 | \$4,275.00 | \$8,550.00 |
| | | | | \$53,017.00 |
| Contingencies and Contractor's Fees (25%) | | | | \$13,254.25 |
| Engineering Fees | | | | \$5,400.00 |
| Site Permitting | | | | \$1,400.00 |
| | | | | \$73,071.25 |
| | | | Site Construction and Engineering Total: | \$73,071.25 |



Appendix

- I. Site Photographs
- II. Site Drawings
 - Existing Conditions / Proposed Mitigation Drawings (11"X17")
 - Existing Conditions / Proposed Mitigation Drawings (24"X36")



I. Site Photographs



VIEW NO. 1

1. Existing chain link fence to be demolished as needed to clear the required Right of Way.
2. Existing pre-cast conc. blocks to be relocated as needed to protect the temporary and permanent fence.



VIEW NO. 2

3. Existing sliding gate to be demolished as needed to clear the required Right of Way.
4. Existing conc. filled bollards to be as needed to clear the required Right of Way.

Cost to Cure and Mitigation Study
Due to Right of Way Acquisition

April 2019



VIEW NO. 3

- 5. Existing gate controller / intercom system to be relocated as needed to clear the required Right of Way and Temporary Easement.
- 6. Existing conc. filled bollards to be as needed to clear the required Right of Way.



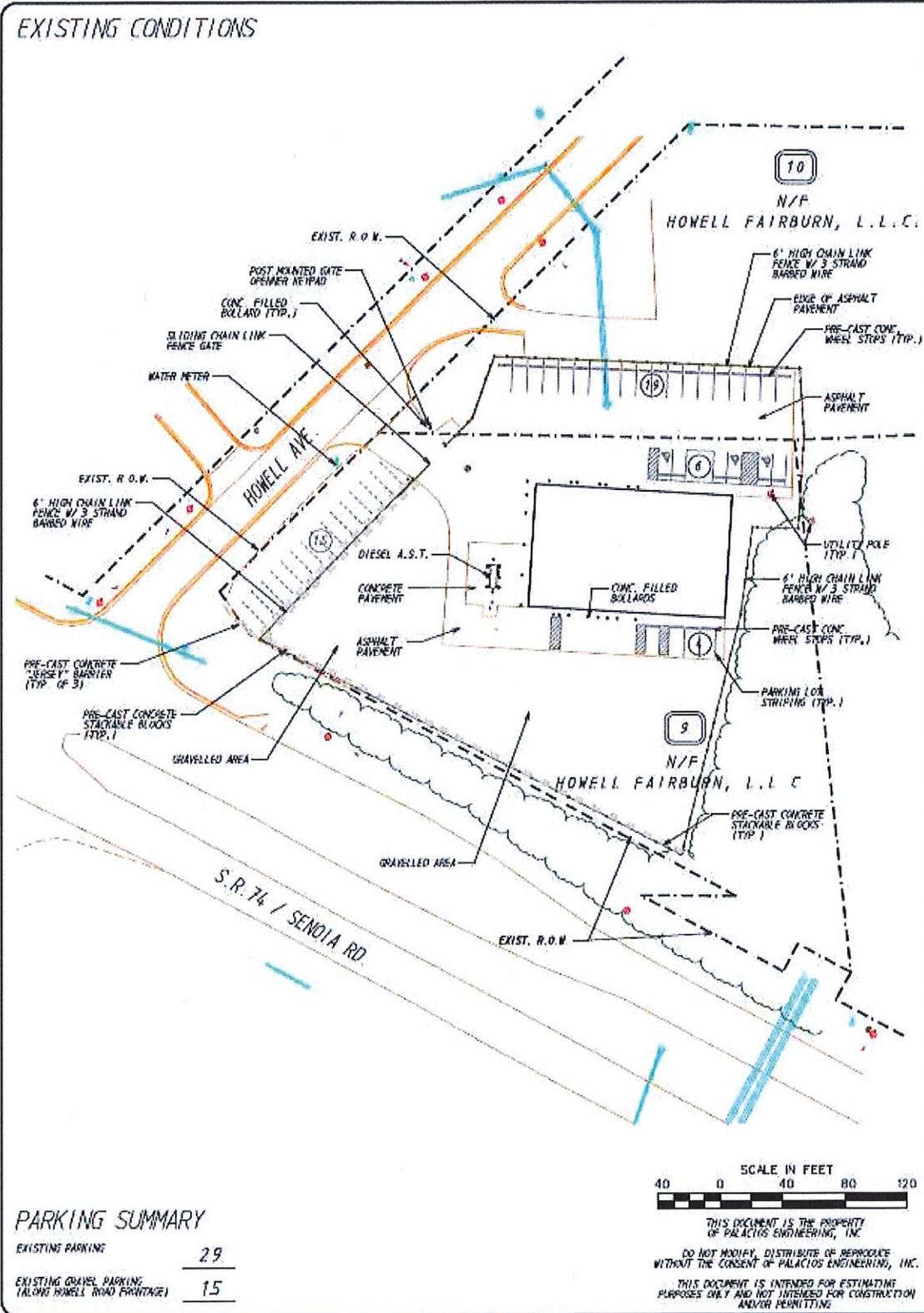
VIEW NO. 4

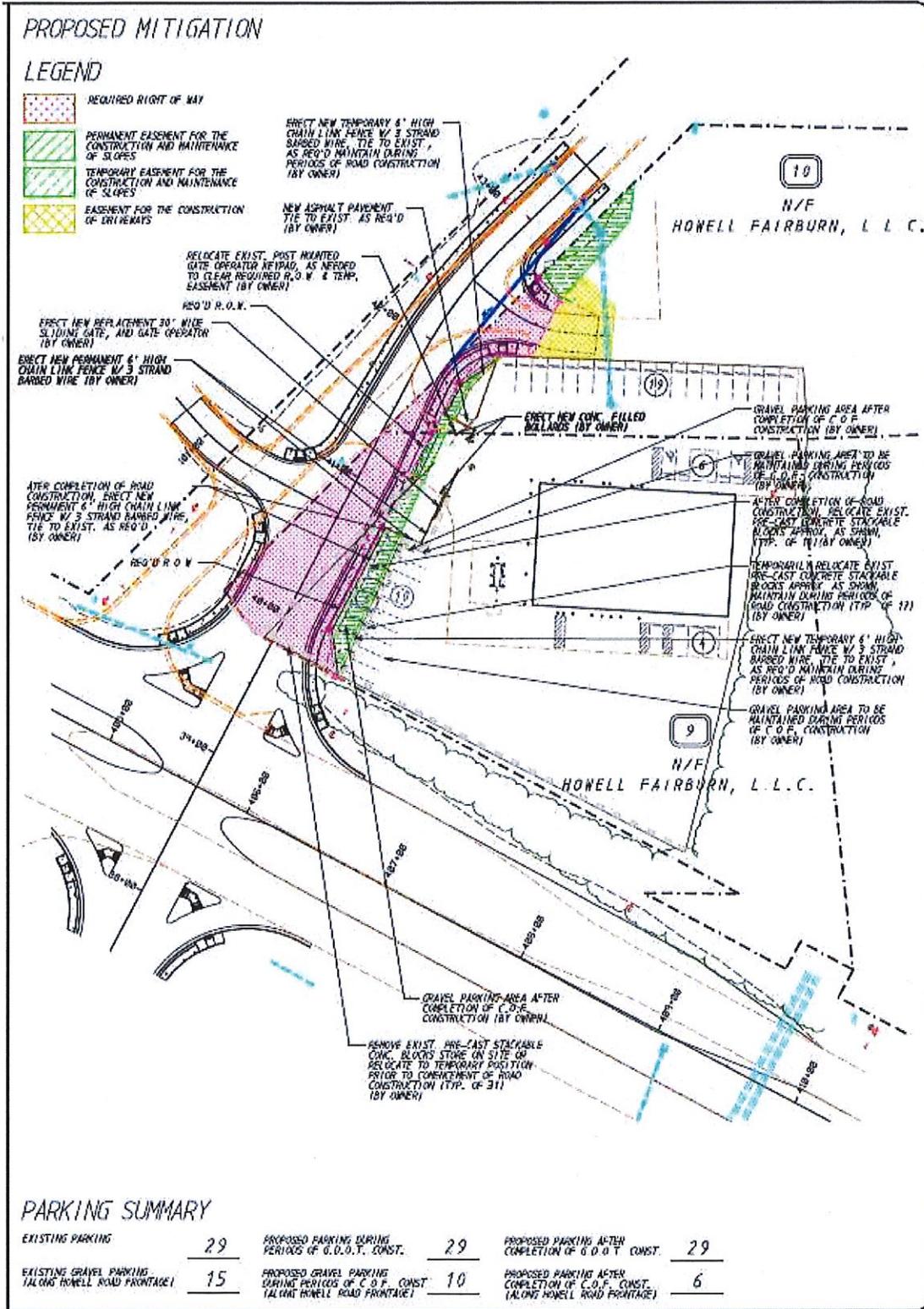
- 7. Existing gravel parking area along the Howell Avenue frontage to be relocated, as needed to clear the required Temporary Easement during periods of C.O.F. construction, then relocated as needed to clear the required Right of Way, after completion of C.O.F. construction.



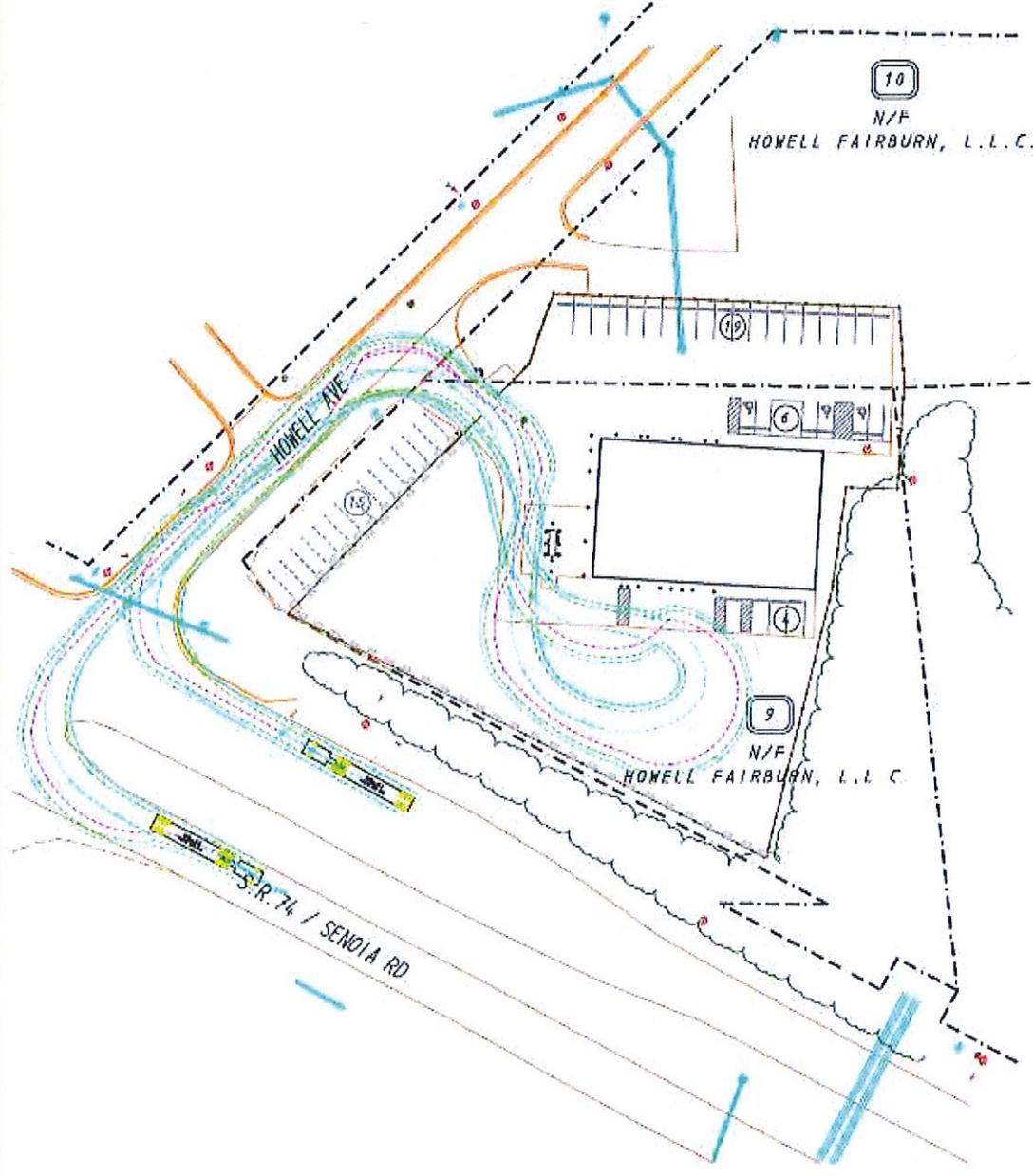
II. Site Drawings





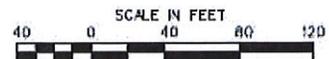


EXISTING CONDITIONS - INBOUND/OUTBOUND CIRCULATION
PATTERN WITH AASHTO WB-62
DESIGN VEHICLE

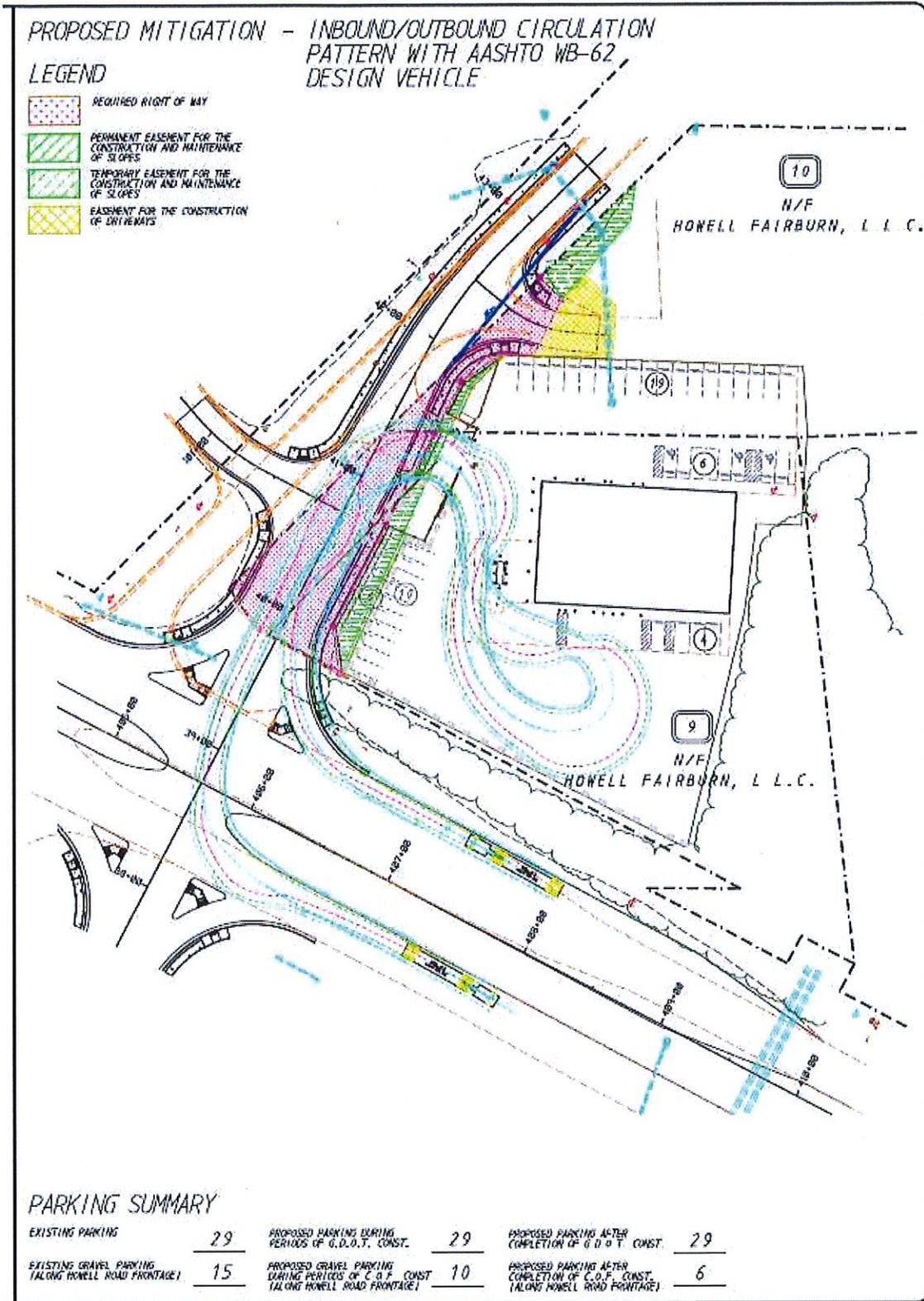


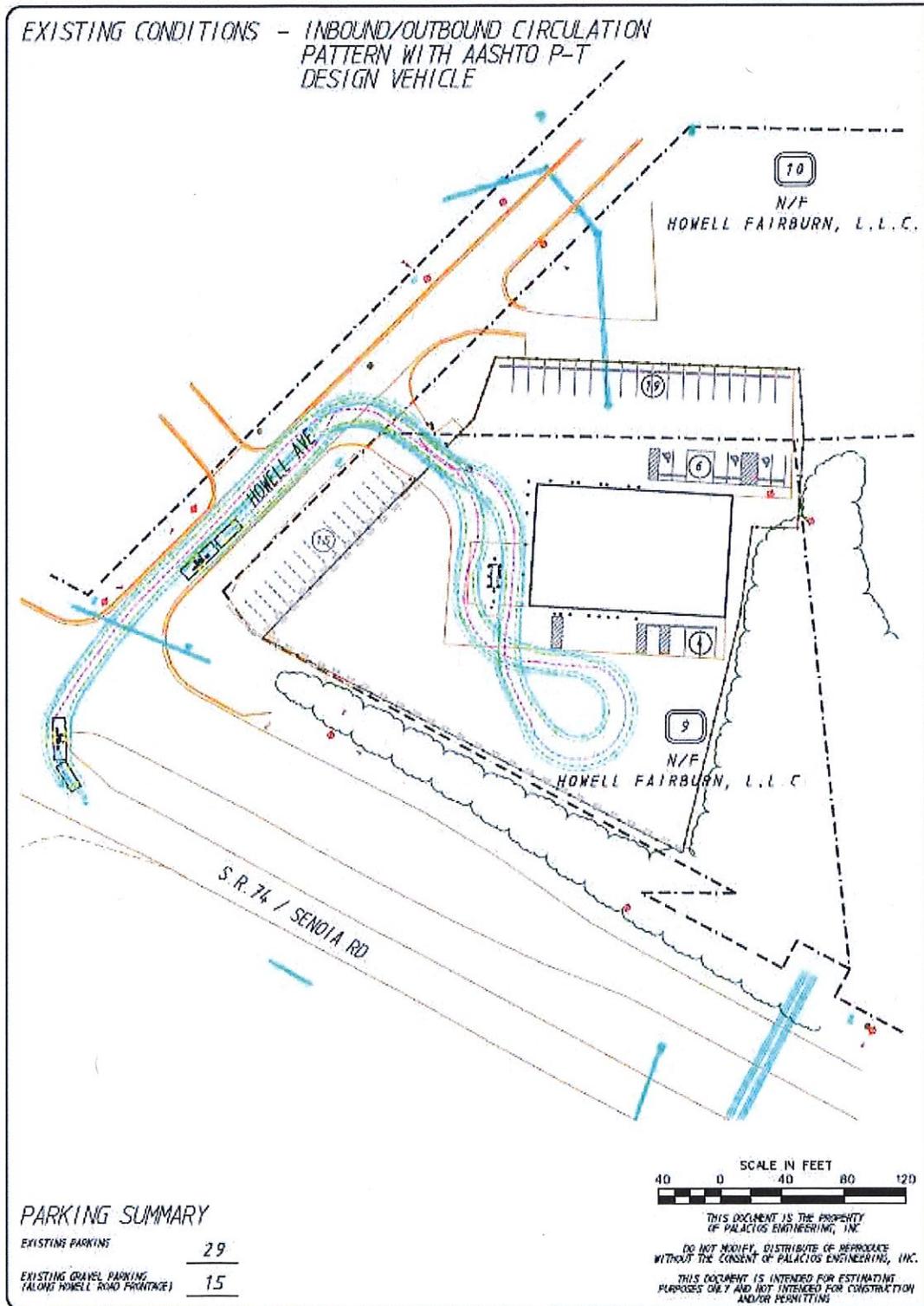
PARKING SUMMARY

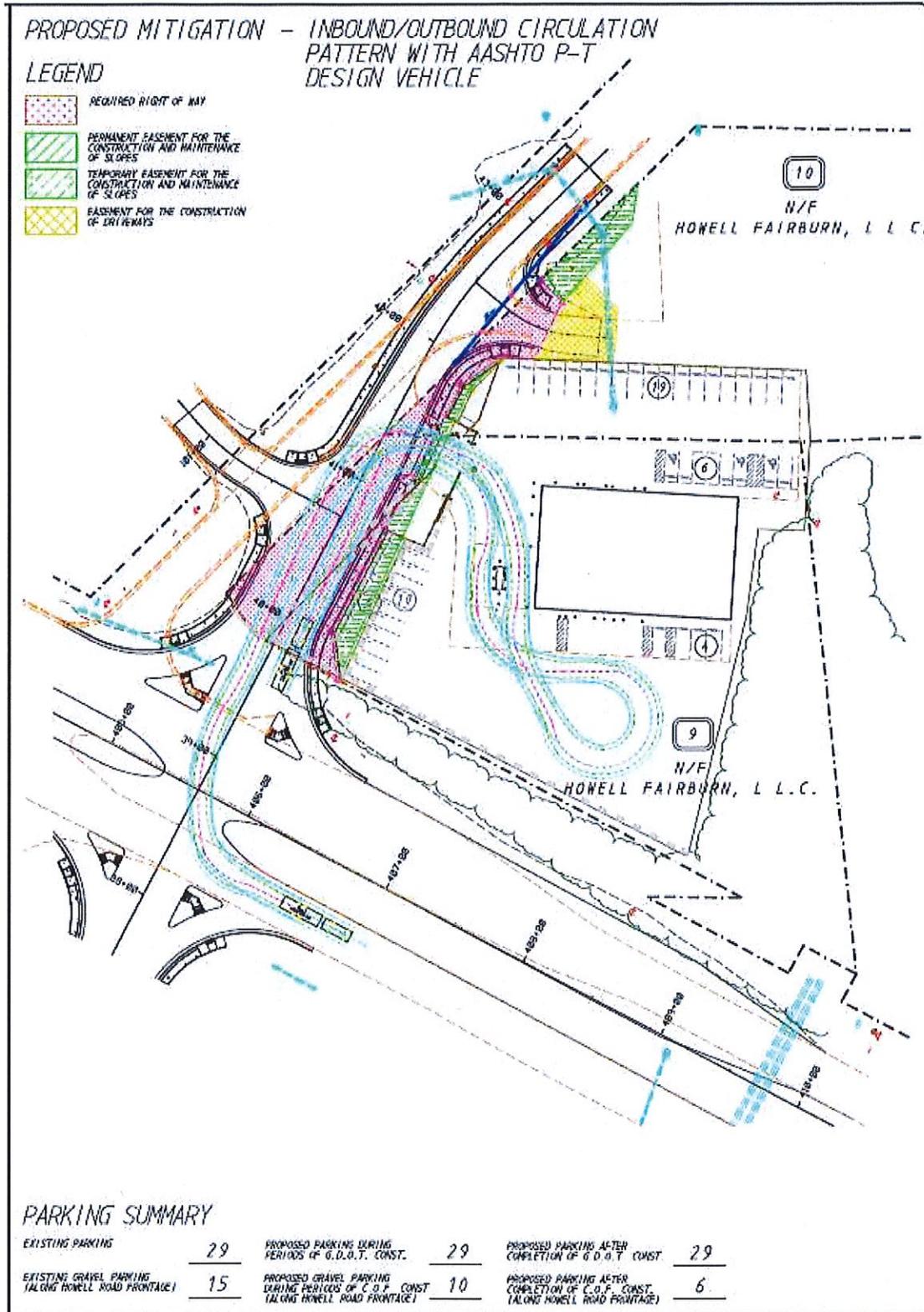
| | |
|---|----|
| EXISTING PARKING | 29 |
| EXISTING GRAVEL PARKING (ALONG HOWELL ROAD FRONTAGE) | 15 |



THIS DOCUMENT IS THE PROPERTY
OF PALACIOS ENGINEERING, INC.
DO NOT MODIFY, DISTRIBUTE OR REPRODUCE
WITHOUT THE CONSENT OF PALACIOS ENGINEERING, INC.
THIS DOCUMENT IS INTENDED FOR ESTIMATING
PURPOSES ONLY AND NOT INTENDED FOR CONSTRUCTION
AND/OR PERMITTING.









SIGN APPRAISAL

ATTACHMENT VIII

NOT APPLICABLE



Deed Book 57344 Pg 213
Filed and Recorded Apr-03-2017 08:08am
2017-0116154
Real Estate Transfer Tax \$595.00
Cathelene Robinson
Clerk of Superior Court
Fulton County, Georgia

This instrument prepared by &
after recording, return to:
Frank T. Callaway, Esq.
PO Box 420115
Atlanta, GA 30342

Prior deed references:
Deed book: 57025, Page 313
Deed book: 57025, Page 315

STATE OF GEORGIA
COUNTY OF FULTON

LIMITED WARRANTY DEED

THIS INDENTURE is made as of this 30th day of March, 2017, by and between HOWELL FAIRBURN LLC, a Georgia limited liability company (hereinafter referred to as "Grantor"), and HERMAN INVESTMENTS AND HOLDINGS L.L.C., a Georgia limited liability company (hereinafter referred to as "Grantee") the terms "Grantor" and "Grantee" to include their respective heirs, legal representatives, successors and assigns where the context requires or permits.

WITNESSETH, for and in consideration of the sum of TEN AND NO/100THS DOLLARS (\$10.00) and other good and valuable consideration, the receipt, adequacy and sufficiency whereof are hereby acknowledged by Grantor, Grantor has granted, bargained, sold, aliened, conveyed and confirmed unto the Grantee, all of Grantor's right, title and interest in and to the following described property ("Property"):

See Exhibit "A" attached hereto and incorporated herein by reference.

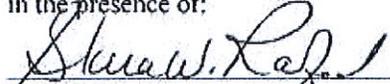
This conveyance is made subject to all matters of record, rights of a tenant under an unrecorded lease, and those matters shown on an accurate survey of the Property.

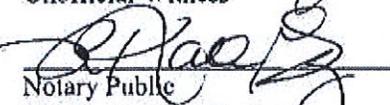
TO HAVE AND TO HOLD, said tract or parcel of land, together with all and singular the rights, members and appurtenances thereof, to the same being, belonging, or in anywise appertaining, to the only proper use, benefit and behoof of said Grantee forever in FEE SIMPLE, subject only to the matters set forth herein.

AND the Grantor will warrant and forever defend the right and title to said land unto Grantee, subject only to the matters expressly set forth herein, against the claims of all persons claiming by, through or under Grantor.

IN WITNESS WHEREOF, the Grantor has executed these presents and affixed its seal the day and year first above written.

Signed, sealed and delivered
in the presence of:


Unofficial Witness


Notary Public
My Commission Expires:

"GRANTOR"

HOWELL FAIRBURN LLC,
a Georgia limited liability company

By:  (SEAL)
Name: E. Thompson Anderson
Its: Manager



Deed Book 57344 Pg 215
Cathelene Robinson
Clerk of Superior Court
Fulton County, Georgia

EXHIBIT "A"
("Property")

TRACT 1:

ALL THAT TRACT OR PARCEL OF LAND SITUATE, LYING AND BEING LAND LOT 48, 9TH DISTRICT, FULTON COUNTY, GEORGIA, AND BEING IDENTIFIED AS TRACT "A-1" CONTAINING 1.898 ACRES, AS SHOWN ON PLAT OF SURVEY PREPARED FOR IMPREGION, INC., DATED 6/29/99, MADE BY JEFFERSON CONSULTANTS, AS RECORDED IN PLAT BOOK 208, PAGE 92 OF THE OFFICE OF THE CLERK OF THE SUPERIOR COURT OF FULTON COUNTY GEORGIA TO WHICH PLAT REFERENCE IS HEREBY MADE FOR A MORE PARTICULAR AND ACCURATE DESCRIPTION OF THE PROPERTY CONVEYED HEREIN.

TRACT 2:

ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN LAND LOT 48, DISTRICT 9, CITY OF FAIRBURN, FULTON COUNTY, GEORGIA; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

TO FIND THE POINT OF BEGINNING, COMMENCE AT THE SOUTH CORNER OF THE MITERED INTERSECTION OF THE SOUTHEASTERLY RIGHT OF WAY OF HOWELL AVENUE (60' R/W) AND THE NORTHEASTERLY RIGHT OF WAY OF GEORGIA STATE HIGHWAY 74 (a.k.a. FAIRBURN INDUSTRIAL BOULEVARD) (VARIABLE R/W); THENCE FOLLOWING THE MITTERED INTERSECTION NORTH 34 DEGREES 38 MINUTES 13 SECONDS WEST FOR A DISTANCE OF 32.97 FEET TO A CONCRETE MONUMENT FOUND; THENCE FOLLOWING THE SOUTHEASTERLY RIGHT OF WAY OF HOWELL AVENUE NORTH 45 DEGREES 25 MINUTES 18 SECONDS EAST FOR A DISTANCE OF 144.29 FEET TO A 1/2" IRON REBAR FOUND, SAID REBAR BEING THE POINT OF BEGINNING

THENCE CONTINUING ALONG SAID RIGHT OF WAY NORTH 45 DEGREES 30 MINUTES 51 SECONDS EAST FOR A DISTANCE OF 69.90 FEET TO A POINT; THENCE LEAVING SAID RIGHT OF WAY SOUTH 88 DEGREES 48 MINUTES 54 SECONDS EAST FOR A DISTANCE OF 212.42 FEET TO A POINT; THENCE SOUTH 06 DEGREES 05 MINUTES 08 SECONDS EAST FOR A DISTANCE OF 50.41 FEET TO A 1/2" REBAR FOUND; THENCE NORTH 88 DEGREES 48 MINUTES 54 SECONDS WEST FOR A DISTANCE OF 267.64 FEET TO THE POINT OF BEGINNING.

SAID TRACT 2 OF LAND CONTAINS 0.276 ACRES.

| | | | |
|--|--------------------------------------|-----------------------|------------------|
| Project Number: Howell Avenue Extension | County: Fulton (City of Fairburn) | P. I. Number: 1517166 | Parcel Number: 9 |
|--|--------------------------------------|-----------------------|------------------|



Howell Avenue Extension Project

R/W 532-FR

Fee Review Appraisers Report

| | | | |
|--|--|--|--|
| 388C <input checked="" type="checkbox"/> 388N <input type="checkbox"/> | | Physical Address: 98 Howell Ave. Fairburn GA 30213 | |
| Owner: Herman Investments & Holdings LLC | | | |
| Address: 98 Howell Ave. Fairburn GA 30213 | | | |
| Telephone Number(s) 470-278-8433 | | | |
| Appraisal # 1- | | | |
| Appraisal Amount: \$ 293,900.00 | Date of Appraisal: 4/9/2019 | Appraiser: Kenneth H. Cantrell | |
| I have visually inspected the property and comparable sales selected, and analyzed and described <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO If no, explain | | | |
| The attached appraisal report has been reviewed by the undersigned. In accordance with 49CFR 24.104, the attached appraisal meets one of the following categories. | | | |
| <input type="checkbox"/> Appraisal Recommended | <input type="checkbox"/> Accept Appraisal, as complying with all requirements | <input type="checkbox"/> Not Accepted-Include reasoning as an addendum | |
| Appraisal # 2-N/A | | | |
| Appraisal Amount: N/A | Date of Appraisal: N/A | Appraiser: N/A | |
| I have visually inspected the property and comparable sales selected, and analyzed and described <input type="checkbox"/> YES <input type="checkbox"/> NO If no, explain | | | |
| The attached appraisal report has been reviewed by the undersigned. In accordance with 49CFR 24.104, the attached appraisal meets one of the following categories. | | | |
| <input type="checkbox"/> Appraisal Recommended | <input checked="" type="checkbox"/> Accept Appraisal, as complying with all requirements | <input type="checkbox"/> Not Accepted-Include reasoning as an addendum | |

Market Value Determination: \$ 293,900.00

| | | | |
|--|--------------------------------------|-----------------------|------------------|
| Project Number: Howell Avenue Extension | County: Fulton (City of Fairburn) | P. I. Number: 1517166 | Parcel Number: 9 |
|--|--------------------------------------|-----------------------|------------------|

Acquisition Area

| | | | | | |
|--------------------|---|-------------------|-----------------------------------|---|--|
| Acquisition Area | .188 AC | 8,192.80 SF | Permanent Easement | N/A AC | N/A SF |
| Temporary Easement | .045 AC | 1,957.54 SF | Demolition Easement | N/A AC | N/A SF |
| Uneconomic Remnant | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | | N/A AC | | N/A SF |
| Access Rights | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | | Retabulation | | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| UST's in RW | N/A | UST's outside R/W | N/A | Relocation | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| Economic Rent | N/A | | Amount Withheld from Cost to Cure | Consequential <input type="checkbox"/> YES <input type="checkbox"/> NO | |

1. Is the data in the appraisal report factual and accurate? YES NO
2. Is the estimated site/land value before the acquisition reasonable for the Subject? YES NO
3. Is the estimated value of the improvements reasonable of the effective date of the appraisal under review? YES NO N/A
4. Is the estimate of total compensation reasonable as of the effective date of the appraisal under review? YES NO

Property Overview: The subject property:

The subject property under review is identified as Parcel 9, identified as tax ID Parcel 09F 0901 0048 1 007, in the City of Fairburn, Fulton County. The subject property is specifically located on the east side of Howell Ave, (address 98 Howell Ave.) at the intersection of Fairburn Industrial Blvd., just east of US 29 Roosevelt Highway, and north of I-85, within the City of Fairburn and a Heavy Industrial development zone. The property is presently improved with an 11,8400 square foot industrial building, consisting of approximately 44% office build out area, and the remainder of the building consisting of shop area and storage. The improvements are judged to be in good condition (20 years in actual age with an estimated effective age of 5 years), with good functional utility, with average quality of construction. Additionally, the site improvements located on site consist of asphalt paved areas and gravel parking areas (mainly outside the security fence along Howell Ave.), providing a total of 29 legal and functional parking spaces serving the main building, located inside chain link and gated security fencing, as well as additional gravel surface parking capable of supporting 15 parking spaces, located outside the present fencing along the Howell Ave. frontage, for a total of 44 parking spaces. Additionally, there is concrete paving, asphalt paving and gravel paving as well as open grassed area), within the confines of the building site and storage lot secured by chain link fencing and a gate.

The land is described in the appraisal report as follows: Land -1.888 acres/ 82,244.80 sf in total area (based on R/W plans), irregular in shape, on grade with Howell Ave. and Fairburn Industrial Blvd., with 203 LF of frontage on and driveway access from Howell Ave. and additional frontage (485 LF) on but no driveway access from Fairburn Industrial Blvd. The subject tract has generally level topography, with no floodplain encumbrances, but there is a portion of the rear of the tract that slopes down and serves as drainage area. The subject property is served by all available public utilities (electric, water, gas and public sewer). The subject property is zoned M-2 Heavy Industrial District by the City of Fairburn Zoning Office. The appraiser has estimated the Highest and Best Use for industrial development. Based on the appraiser's due diligence in making this determination as well as observation of nearby development patterns, his conclusion of Highest and Best Use seems reasonable and adequately documented.

| | | | |
|--|--------------------------------------|-----------------------|------------------|
| Project Number: Howell Avenue Extension | County: Fulton (City of Fairburn) | P. I. Number: 1517166 | Parcel Number: 9 |
|--|--------------------------------------|-----------------------|------------------|

The valuation of the subject land is based on the Vacant Industrial Land Market Comparison Approach to value in which the appraiser researched the local market and located several vacant land sales generally similar to the physical and economic characteristics of the subject property. The unadjusted land sales indications ranged from \$1.47 sf. to \$2.98 sf. These land sales were then compared to the subject, appropriate adjustments for differences were made and a final correlated land value range was estimated, resulting in a final determination of Before Land Value of \$267,296.00, based on a final correlated unit value of \$3.25sf. Mr. Cantrell's conclusion of value appears reasonable and well supported. The appraiser estimated a total Before Value, as Improved of \$ 1,160,000.00 yielding a contributory value for all improvements of \$ 892,704.00, after land value allocation. This Before Value was based on the Market, Cost and Income Approaches (direct capitalization method and DCF) and is considered to be a reasonable and well supported total value, as improved, based on the cost data analysis and available market comparison indicators (improved market sales and improved rentals).

The Howell Avenue Extension Project will require the acquisition of fee simple rights in the land (8,192.80sf), a p and temporary construction easement rights for the construction of necessary slopes (1,957.54 sf) from the subject property. Certain site improvements (chain link fencing, actually classified as a security fencing Trade Fixture, and paving) will be affected by the acquisition requirements. As mentioned previously, in the Before Situation 29 total parking spaces presently serve the parking needs of the subject building, within the fenced in building site/storage area. Additionally, there is a gravel surface area outside the fenced in lot capable of supporting 15 parking spaces. This provides a total of 44 spaces for parking in the before situation. As a result of the proposed acquisition, the 15 spaces in the gravel parking area will be totally acquired. The impact on the remainder property would be extremely significant with the loss of this many serviceable parking spaces as well as a loss of materials storage area. However, in lieu of such a 15- parking space reduction, an alternative plan can be implemented. A Cost to Cure proposal was prepared by Palacios Engineering to provide 10 parking spaces along the inside of the security fencing (temporarily relocated during construction), facing the new Howell Ave. right of way, during the construction of the project. However, after construction and the security fencing along Howell Ave. is permanently replaced, there will only be room enough for 6 spaces within this area in the permanent condition (this is due to the reconfiguration of the frontage area). This substitute parking will also encroach on the materials storage yard (storage of large concrete pre-cast stackable blocks). The appraiser feels that the CTC plan will partially mitigate the significant parking loss if such a plan is not adopted. It is the opinion of the appraiser that the remainder land will not be adversely affected by the acquisition of these property rights and will therefore retain the capacity for potential development in accordance with the Highest and Best Use as estimated in the before situation. However, it is his opinion that the permanent loss of a net of 5 spaces during the construction period and a net loss 9 spaces in the permanent condition will result in permanent temporary impact and permanent damages to the remainder improvements Therefore, consequential damages to the remainder have been determined, over and above a necessary cost to cure to re-enclose and to partially mitigate the business parking area associated with the subject improvement.

Appraisal Assignment: The appraisal assignment was to estimate the market value of the unencumbered fee simple interest and any other interest in the subject property for the proposed right of way acquisition required for the proposed Howell Avenue Extension Project. The intended users are THC Inc. Southeastern Engineering Inc. and the South Fulton Community Improvement District, and their authorized representatives procured the services of Mr. Kenneth H. Cantrell for this appraisal assignment. Mr. Cantrell's appraisal report date of valuation is April 9, 2019 and his estimated market value compensation is \$ 293,900.00

| | | | |
|--|--------------------------------------|-----------------------|------------------|
| Project Number: Howell Avenue Extension | County: Fulton (City of Fairburn) | P. I. Number: 1517166 | Parcel Number: 9 |
|--|--------------------------------------|-----------------------|------------------|

Scope of the Assignment: The scope of the assignment included a field and desk review of the appraisal reports. The subject property and comparable land sales were personally inspected, most recently on April 20, 2019, which is the effective date of this review. The appraisal report was read and reviewed in its entirety. The data, information and methodology used to arrive at the conclusion were analyzed for accuracy and for reasonableness.

SUMMARY AND CONCLUSIONS:

1. Adequacy and Relevance of Data

Mr. Cantrell employed several vacant land sale comparisons within the general market area of the subject property, each of which is very competitive in both physical and economic characteristics (after appropriate analysis is adjustments by the appraiser).

Proper Adjustments:

The adjustments made to the comparable sales, when in direct comparison to the subject, were considered appropriate by the review appraiser.

2. Appropriate Appraisal Methods:

The total value of the property as vacant was based on a Vacant Land Market Comparison Analysis Approach (Improved Market Comparison, Cost Approach or Income Approach not applicable); the acquisition will require the purchase of fee simple rights and temporary construction easement rights in the subject tract under appraisal. No damages to the remainder land were estimated nor were they justified, however, temporary impact and permanent damages to the remainder improvements were justified, in addition to necessary CTC for parking and to maintain security and parking for the business located on site.

3. Appropriate Techniques:

The techniques used by Mr. Cantrell were conventional and properly applied.

Is the Consideration Appropriate and Reasonable?

The opinion and judgments of the appraisers are within acceptable appraisal standards and guidelines. The recommended report reflects an acceptable conclusion that falls within the range of market evidence.

The recommended compensation by this reviewer for this subject property is based on Mr. Cantrell's appraisal report. See Calculations Below:

| | |
|--|------------------------------|
| Land -Fee Simple (\$3.25 SF) | \$ 26,627.00 |
| Permanent Construction and Maintenance Easement | \$ N/A |
| Temporary Construction Easement (Slope Construction) | \$ 1,908.00 |
| Site Improvements to be Acquired (paving only) | \$ 906.00 |
| Damages to Remainder Improvements (Permanent & Temporary Impacts) | \$ 191,322.00 |
| Cost to Cure-Security Fencing and Parking | \$ 73,071.00 |
| Total Compensation | \$ 293,900.00 rounded |

| | | | |
|--|--------------------------------------|-----------------------|------------------|
| Project Number: Howell Avenue Extension | County: Fulton (City of Fairburn) | P. I. Number: 1517166 | Parcel Number: 9 |
|--|--------------------------------------|-----------------------|------------------|

Intended Client/ Intended User

THC Inc., Southeastern Engineering Inc. and the South Fulton Community Improvement District, and their approved representatives are the intended clients and the intended users of this report.

Limiting Conditions

1. The review appraiser is not responsible for matters of a legal nature that affect either the property that is the subject of the appraisal review or the title to it. The review appraiser assumes that the title is good and marketable and, therefore, will not render an opinion about the title. The property is reviewed on the basis of it being under responsible ownership.
2. The review appraiser has noted in the appraisal review any adverse conditions observed during the inspection of the property or that the appraiser became aware of during normal research involved with performing the appraisal review. Unless otherwise stated in the appraisal review report, the review appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions that would make the property more or less valuable and has assumed that there are no such conditions and makes no guarantees or warranties, expressed or implied, regarding the condition of the property. The review appraiser will not be responsible for any such conditions that do exist for any engineering or testing that might be required to discover whether such conditions exist. Because the review appraiser is not an expert in the field of environmental hazards, the appraisal review report must not be considered as an environmental assessment of the property.
3. The review appraiser obtained information, estimates and opinions that were expressed in the appraisal review report from sources that he or she considers to be reliable and believes them to be true and correct. The review appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

Reviewer's Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.
- I have no (or the specified) present or prospective interest in the property that is the subject of this report, and I have no (or the specified) personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favor the cause of the client, the amount of the value opinion, the attainment of a stipulated result, of the occurrence of a subsequent event directly related to the intended use of this appraisal consulting assignment.
- My analyses, opinions, conclusions were developed, and this report has been prepared, in conformity with the **Uniform Standards of Professional Appraisal Practice**.
- I have made a personal inspection of the property that is subject of this report. (If more than one person signs this certification, the certification must clearly specify which individuals did and which individuals did not make a personal inspection of the property).
- No one provided significant real property appraisal or appraisal consulting assistance to the person signing this certification. (If there are exceptions, the name of each individual providing significant real property appraisal or appraisal consulting assistance must be stated.)

It is my understanding that the Market Value listed herein is to be used in the acquisition of right of way for a Federal-Aid Highway. The determination of value has been reached independently based on the appraisal and other factual data of record without collaboration or direction.

Steven M. Crawford
 Fee Reviewing Appraiser Steven M. Crawford
 Certified Real Estate Appraiser No. CG 2594

DATE: 5/1/2019

| | | | |
|--|--------------------------------------|-----------------------|-------------------|
| Project Number: Howell Avenue Extension | County: Fulton (City of Fairburn) | P. I. Number: 1517166 | Parcel Number: 10 |
|--|--------------------------------------|-----------------------|-------------------|



Howell Avenue Extension Project

R/W 532-FR

Fee Review Appraisers Report

| | | | |
|--|--|--|--------------------------------|
| 388C <input checked="" type="checkbox"/> 388N <input type="checkbox"/> | | Physical Address: 100 Howell Ave. Fairburn GA 30213 | |
| Owner: Herman Investments & Holdings LLC (C/O Brad Kaufman) | | | |
| Address: 98 Howell Avenue Fairburn GA 30213 | | | |
| Telephone Number(s) 470-278-8433 | | | |
| Appraisal # 1- | | | |
| Appraisal Amount: \$ 10,400.00 | | Date of Appraisal: 4/9/2019 | Appraiser: Kenneth H. Cantrell |
| I have visually inspected the property and comparable sales selected, and analyzed and described <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO If no, explain | | | |
| The attached appraisal report has been reviewed by the undersigned. In accordance with 49CFR 24.104, the attached appraisal meets one of the following categories. | | | |
| <input type="checkbox"/> Appraisal Recommended | <input type="checkbox"/> Accept Appraisal, as complying with all requirements | <input type="checkbox"/> Not Accepted-Include reasoning as an addendum | |
| Appraisal # 2-N/A | | | |
| Appraisal Amount: N/A | | Date of Appraisal: N/A | Appraiser: N/A |
| I have visually inspected the property and comparable sales selected, and analyzed and described <input type="checkbox"/> YES <input type="checkbox"/> NO If no, explain | | | |
| The attached appraisal report has been reviewed by the undersigned. In accordance with 49CFR 24.104, the attached appraisal meets one of the following categories. | | | |
| <input type="checkbox"/> Appraisal Recommended | <input checked="" type="checkbox"/> Accept Appraisal, as complying with all requirements | <input type="checkbox"/> Not Accepted-Include reasoning as an addendum | |

Market Value Determination: \$ 10,400.00

| | | | |
|--|--------------------------------------|-----------------------|-------------------|
| Project Number: Howell Avenue Extension | County: Fulton (City of Fairburn) | P. I. Number: 1517166 | Parcel Number: 10 |
|--|--------------------------------------|-----------------------|-------------------|

Acquisition Area

| | | | | | | | |
|--------------------|---|-------------------|-----------------------------------|------------|--|---------------|---|
| Acquisition Area | .061 AC | 2,673.38 SF | Permanent Easement | AC | SF | | |
| Temporary Easement | .038 AC | 1,676.99 SF | Demolition Easement | N/A AC | N/A SF | | |
| Uneconomic Remnant | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | | N/A AC | | N/A SF | | |
| Access Rights | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | | Retabulation | | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | | |
| UST's in RW | N/A | UST's outside R/W | N/A | Relocation | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | Consequential | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| Economic Rent | N/A | | Amount Withheld from Cost to Cure | | \$N/A | | |

1. Is the data in the appraisal report factual and accurate? YES NO
2. Is the estimated site/land value before the acquisition reasonable for the Subject? YES NO
3. Is the estimated value of the improvements reasonable of the effective date of the appraisal under review? YES NO N/A
4. Is the estimate of total compensation reasonable as of the effective date of the appraisal under review? YES NO

Property Overview: The subject property:

The subject property under review is identified as Parcel 10, identified as tax ID Parcel 09F 0902 0048 042, in the City of Fairburn, Fulton County. The subject property is specifically located on the northeast side of Howell Avenue, (address 100 Howell Ave.) just off Fairburn Industrial Blvd. just east of US 29 Roosevelt Highway and northeast of I-85, within the City of Fairburn and a Heavy Industrial development zone. The property is presently improved with an industrial building which will not be affected by the acquisition (except for site improvements). The land is described in the appraisal report as follows: Land -2.381 acres/ 103,732.58 sf in total area (based on R/W plans), rectangular in shape, on grade with Howell Ave. with 130 LF of frontage on and driveway access from Howell Ave., generally level topography, with no floodplain encumbrances. The subject property is served by all available public utilities (electric, water, gas and public sewer). The subject property is zoned M-2 Heavy Industrial District by the City of Fairburn Zoning Office. The appraiser has estimated the Highest and Best Use for industrial development. Based on the appraiser's due diligence in making this determination as well as observation of nearby development patterns, his conclusion of Highest and Best Use seems reasonable and adequately documented. The

The valuation of the subject land is based on the Vacant Industrial Land Market Comparison Approach to value in which the appraiser researched the local market and located several vacant land sales generally similar to the physical and economic characteristics of the subject property. The unadjusted land sales indications ranged from \$1.47 sf. to \$2.98 sf. These land sales were then compared to the subject, appropriate adjustments for differences were made and a final correlated land value range was estimated, resulting in a final determination of Before Land Value of \$311,198.00, based on a final correlated unit value of \$3.00 sf. Mr. Cantrell's conclusion of value appears reasonable and well supported.

The Howell Avenue Extension Project will require the acquisition of fee simple rights in the land (2,673.38) and temporary construction easement rights for the construction of necessary slopes (1,676.99 sf) from the subject property. Certain site improvements (asphalt paving) will be affected by the acquisition requirements. It is the opinion of the appraiser that the remainder land will not be adversely affected by the acquisition of these

| | | | |
|--|--------------------------------------|-----------------------|-------------------|
| Project Number: Howell Avenue Extension | County: Fulton (City of Fairburn) | P. I. Number: 1517166 | Parcel Number: 10 |
|--|--------------------------------------|-----------------------|-------------------|

property rights and will therefore retain the capacity for potential development in accordance with the Highest and Best Use as estimated in the before situation. Therefore, no consequential damages to the remainder have been determined.

Appraisal Assignment: The appraisal assignment was to estimate the market value of the unencumbered fee simple interest and any other interest in the subject property for the proposed right of way acquisition required for the proposed Howell Avenue Extension Project. The intended users are THC Inc. Southeastern Engineering Inc. and the South Fulton Community Improvement District, and their authorized representatives procured the services of Mr. Kenneth H. Cantrell for this appraisal assignment. Mr. Cantrell's appraisal report date of valuation is April 9, 2019 and his estimated market value compensation is \$10,400.00

Scope of the Assignment: The scope of the assignment included a field and desk review of the appraisal reports. The subject property and comparable land sales were personally inspected, most recently on April 20, 2019, which is the effective date of this review. The appraisal report was read and reviewed in its entirety. The data, information and methodology used to arrive at the conclusion were analyzed for accuracy and for reasonableness.

SUMMARY AND CONCLUSIONS:

1. Adequacy and Relevance of Data

Mr. Cantrell employed several vacant land sale comparisons within the general market area of the subject property, each of which is very competitive in both physical and economic characteristics (after appropriate analysis is adjustments by the appraiser).

Proper Adjustments:

The adjustments made to the comparable sales, when in direct comparison to the subject, were considered appropriate by the review appraiser.

2. Appropriate Appraisal Methods:

The total value of the property as vacant was based on a Vacant Land Market Comparison Analysis Approach (Improved Market Comparison, Cost Approach or Income Approach not applicable); the acquisition will require the purchase of fee simple and temporary easement rights in the subject tract under appraisal. No damages to the remainder property were estimated nor were they justified.

3. Appropriate Techniques:

The techniques used by Mr. Cantrell were conventional and properly applied.

Is the Consideration Appropriate and Reasonable?

The opinion and judgments of the appraisers are within acceptable appraisal standards and guidelines. The recommended report reflects an acceptable conclusion that falls within the range of market evidence.

| | | | |
|--|--------------------------------------|-----------------------|-------------------|
| Project Number: Howell Avenue Extension | County: Fulton (City of Fairburn) | P. I. Number: 1517166 | Parcel Number: 10 |
|--|--------------------------------------|-----------------------|-------------------|

The recommended compensation by this reviewer for this subject property is based on Mr. Cantrell's appraisal report. See Calculations Below:

| | |
|--|----------------------|
| Land -Fee Simple (\$3.00 SF) | \$ 8,020.00 |
| Temporary Construction Easement (Slope Construction) | \$ 1,509.00 |
| Site Improvements to be Acquired | <u>\$ 845.00</u> |
| Total Compensation | \$ 10,400.00 rounded |

| | | | |
|--|--------------------------------------|-----------------------|-------------------|
| Project Number: Howell Avenue Extension | County: Fulton (City of Fairburn) | P. I. Number: 1517166 | Parcel Number: 10 |
|--|--------------------------------------|-----------------------|-------------------|

Intended Client/ Intended User

THC Inc., Southeastern Engineering Inc. and the South Fulton Community Improvement District, and their approved representatives are the intended clients and the intended users of this report.

Limiting Conditions

1. The review appraiser is not responsible for matters of a legal nature that affect either the property that is the subject of the appraisal review or the title to it. The review appraiser assumes that the title is good and marketable and, therefore, will not render an opinion about the title. The property is reviewed on the basis of it being under responsible ownership.
2. The review appraiser has noted in the appraisal review any adverse conditions observed during the inspection of the property or that the appraiser became aware of during normal research involved with performing the appraisal review. Unless otherwise stated in the appraisal review report, the review appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions that would make the property more or less valuable and has assumed that there are no such conditions and makes no guarantees or warranties, expressed or implied, regarding the condition of the property. The review appraiser will not be responsible for any such conditions that do exist for any engineering or testing that might be required to discover whether such conditions exist. Because the review appraiser is not an expert in the field of environmental hazards, the appraisal review report must not be considered as an environmental assessment of the property.
3. The review appraiser obtained information, estimates and opinions that were expressed in the appraisal review report from sources that he or she considers to be reliable and believes them to be true and correct. The review appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

Reviewer's Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
 - The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.
 - I have no (or the specified) present or prospective interest in the property that is the subject of this report, and I have no (or the specified) personal interest with respect to the parties involved.
 - I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
 - My engagement in this assignment was not contingent upon developing or reporting predetermined results.
 - My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favor the cause of the client, the amount of the value opinion, the attainment of a stipulated result, of the occurrence of a subsequent event directly related to the intended use of this appraisal consulting assignment.
 - My analyses, opinions, conclusions were developed, and this report has been prepared, in conformity with the **Uniform Standards of Professional Appraisal Practice**.
 - I have made a personal inspection of the property that is subject of this report. (If more than one person signs this certification, the certification must clearly specify which individuals did and which individuals did not make a personal inspection of the property).
 - No one provided significant real property appraisal or appraisal consulting assistance to the person signing this certification. (If there are exceptions, the name of each individual providing significant real property appraisal or appraisal consulting assistance must be stated.)
- It is my understanding that the Market Value listed herein is to be used in the acquisition of right of way for a Federal-Aid Highway. The determination of value has been reached independently based on the appraisal and other factual data of record without collaboration or direction.

Steven M. Crawford
 Fee Reviewing Appraiser Steven M. Crawford
 Certified Real Estate Appraiser No. CG 2594

DATE: 4/30/2019

NEGOTIATION RECORD

PROJECT Howell Avenue Extension COUNTY Fulton P.I.# 1517166 PARCEL 2
OWNER-TENANT Herman Investments and Holdings, LLC. c/o Brad Kaufman FEMALE () YES (X) NO
MINORITY () YES (X) NO

ADDRESS 98 Howell Avenue, Fairburn, GA 30213 PHONE 470-278-8433

AGENT _____ PHONE _____
(NAME) (ADDRESS)

ATTORNEY _____ PHONE _____
(NAME) (ADDRESS)

The undersigned hereby acknowledges that the subject PARCEL is to be secured for use in connection with the aforesaid HIGHWAY PROJECT, and I (WE) have no direct or indirect, past or present, or contemplated future personal interest in parcel or in any benefit from the acquisition of such property. This record is complete and I have thoroughly explained to the owner or owner's representative any/all construction features including but not limited to existing and required R/W boundaries; construction fill or cut limit bank slopes; roadway shoulder slopes; road grade levels; drainage; utilities; edges of paving/curbing/gutter; driveway profiles; etc., as applicable for this parcel. I have explained all documents, forms, and letters in their entirety and answered any/all questions and addressed any/all concerns as stated and explained in below record.

Staff or Consultant NEGOTIATOR: Michael Woodall DATE _____

Monetary offer for the above named interest: \$ _____

The following is to be answered prior to and following first contact:

TITLE INFORMATION

Preliminary title report in: YES () NO () Copy of deed attached to report: YES () NO ()
Date of Deed: _____ Indicated Purchase Price: \$ _____
Names and Addresses of all parties secured during contact including Tenants: YES () NO ()

CONSTRUCTION DETAILS

New Location [] Widening [] Existing typical section: _____
Plan typical section: _____
Curb and Gutter: YES () NO () Access Rights Required: YES () NO ()

Date Assigned: _____ Date First Offer Made: _____ See Attached Record for details.

I (WE), the undersigned, do certify that: (1) the written agreement secured embodies all of the considerations agreed upon between the Department and the property owner (2) the agreement was reached without coercion or threats of any kind whatsoever by or to either party (3) this negotiation record and parcel file is complete and contains all required documentation.

This _____ day of _____, 20____.

NEGOTIATOR _____ DATE _____

TEAM LEADER _____ DATE _____

APPEALS OFFICER OR CONSULTANT COORDINATOR _____ DATE _____

2/21/19 – Found a number for the business at this location – Blackjack Paving, LLC. 678-364-9696. I called and was given the name of Brad Kaufman and his email brad@blackjackpaving.com but was informed he was out of town. I sent an introductory email stating the following:

Good afternoon,

I am working with the City of Fairburn as the Right of Way Specialist on the Howell Avenue Extension project. I would love to sit down and go over the plans and discuss it with you sometime next week. Please feel free to give me a call or email me back with your availability and we will set something of that is convenient for you.

Thanks so much and have a great evening,

– Michael Woodall

2/22/19 – Mailed Introduction letter certified mail. – Michael Woodall

2/25/19 – Green card received by Julie Blum. – Michael Woodall

2/25/19 – Brad replied to my email with the following offering to meet next Monday (3/4) or Tuesday (3/5)

Michael,

I have a busy week this week. I should be available Monday or Tuesday next week. Let me know if either of those days work for you.

- I replied with:

How about Tuesday at 10?

- Brad sent back:

That works. Are you coming to us??

– Michael Woodall

2/26/19 – I replied to Brad Kaufman’s email from 2/25/19 with:

Yes sir. I can meet you there at Blackjack Paving unless you have somewhere else you would prefer.

Thanks!

- He followed up with:

Sounds good. Just let me know which day and what time.

Brad

I called him and we agreed to meet 3/5/19 @ 10:00 am at the Blackjack Paving facility. – Michael Woodall

3/5/19 – Nathaniel Kimbro and I met with Brad Kaufman and his business partner Jay Herzog. They had heard some about the proposed project but not very much and these were the first set of plans presented to them. We discussed the requested amount of Required Right of Way – 8,192.80 SF or 0.188 AC and the Temporary Easement area – 1,957.54 SF or 0.045 AC. We also discussed the Cross Sections along with the significant road shift into their existing property and resulting new intersection. Jay then informed us that Herman Investments and Holdings, LLC. had just completed the purchase of the neighboring property, Parcel 10 – currently listed as Howell Fairburn on the ROW plans. Additionally, when they purchased what is currently Parcel 9, they bought a portion of Howell Fairburn’s property that abuts theirs approximately 10 feet across the front and 40 feet deep that is not reflected on the plans. We also said that the title work had not been completed and that these were

still preliminary plans and we would provide updates as we receive them. As we began to discuss the donation offer package request, Brad and Jay let us know they were not interested in donating the property and were more concerned with what they saw as maneuverability issues this project will cause them. I told them that an engineer would be coming out to complete Cost to Cure study for any issues related to the property and upon completion of the appraisal, we would discuss both with them. Nathaniel went outside and walked the property to get a look at the approximate areas impacted by the acquisition and easement areas.

Another question they had about the proposed road was about a traffic signal for the intersection. I told them that I was not aware of the current traffic control plans but that I would get with the design team and see what the plan was for the area.

– Michael Woodall

3/8/19 – I emailed Brad the following:

Good morning,

The appraiser will be reaching out soon. It will be Kenneth Cantrell or an associate of his with Valbridge Property Advisors.

Please let me know if there are any questions and have a great weekend.

Thanks!

- I emailed Brad again after I spoke with Scott Jordan at SEI about the question Brad had about the red light.

Good afternoon Brad,

In speaking with the project designer, he said that there is still some on-going determinations about having a traffic light at that exchange. Once I determination has been made, I will let you know.

Thanks!

– Michael Woodall

5/7/19 – Spoke with Brad to let him know we are in receipt of the appraisal and would like to set a meeting. We set it up for 5/21/19 @ 10:30 AM with he and Jay Herzog. – Michael Woodall

5/21/19 – Met with Brad Kaufman and Jay Herzog at their office to discuss the offer and Cost to Cure.

We talked about what the project entailed which is that it is one 12' travel lane in each direction with 14' flush middle turn lane -- 10' shoulder (5' sidewalks & 2' grass strip). We went over the plans for their parcel by discussing the location and amount of both the Right of Way required being 8,192.80 SF or 0.188 AC for the road project and the temporary easement area 1,957.54 SF or 0.045 AC that would be needed to be used during construction. Additionally, we went over and discussed the Cross Sections for the property and how any of the elevation changes tie back into the existing parking lot and the connection of Howell Avenue and Fairburn Ind. Blvd. meet at the new intersection. They asked if a red light was still being considered and I told them that there were ongoing discussions about it with GDOT, but no decision had been reached as of this meeting.

Brad mentioned that the property lines still had not been addressed on this update. He pulled up a current overhead picture he had and emailed it to me to show the current property layout. I told him that I would get with the development team at SEI and make certain that they update the property line to reflect these changes.

They informed me that they have a tenant in place on parcel 10 who they have locked in for 5 years. While they have a business plan that reflects an expansion plan that includes combining both properties, Brad said that income will be lost if the timetable for their expansion is moved up and they need to redesign the property to make use of parcel 10 now.

Another concern they have is the current Cost To Cure and traffic pattern. They don't feel the CTC traffic pattern works well for them. The biggest issue is the diesel fuel tank and essentially every truck that comes on the property as well as all deliveries would need to constantly be driving around it and exposing it to possible collision.

Also, they had concerns related to the security fencing. They stated that the reason they had the fence they do was because of the area they were in and they wanted to be sure that whatever temporary fencing was used would be as secure and that any replacement fencing would be of similar grade.

– Michael Woodall

5/23/19 – Sent the following email to Scott Jordan and Travis Williams with SEI to have the current property line reflected on the plans for both Parcels 9 and 10:

Good morning,
Can we get the plans updated to reflect the new property lines? I have attached the appraisals that reflect the new lines. It, unsurprisingly, hasn't been updated on the county website.

Thanks!

– Michael Woodall

6/12/19 – Phone call with Brad and Jay to discuss a possible counteroffer and additional concerns they have. Confirmed with them that I spoke with SEI to about the need to update the plans with the new property line issue that SEI was sending someone out to do a survey for that.

The counteroffer they have asked for is - **\$656,300** total for both for 9 and 10 offers

Here is how that breaks down –

\$ 252,000 - 5 years of lost rent income

\$ 100,000 - cleanup costs

\$ 304,300 - balance for R/W and CTC

As their business plan called for renting this building for 5 years before they saw the need for expanding, they feel their tenant will be very upset and would leave “kicking and screaming handing them a mess to cleanup” when they leave so that's where the additional fee comes in.

Also, they felt the loss of employee parking and storage areas were more significant and detrimental than what has been accounted for in the CTC.

Additionally, they wanted, in writing, who was responsible for the temporary and permanent fencing and they what they get back would be as good as what they currently have now.

I told them I would have the Cost to Cure Engineer reach out to them to discuss the traffic pattern.

I also said I would discuss their offer with The City of Fairburn and get back with them after they have spoken with the engineer and I have received the updated Cost to Cure / traffic pattern change from the engineer.

– Michael Woodall

7/16/19 – I received the updated Cost to Cure traffic information and sent it to review. I emailed Brad Kaufman the following to keep him informed:

Good afternoon Brad,

I hope all is well. I just wanted to touch base and let you know that I received the updated information for the Cost to Cure from Ricardo based on his conversation with you. I have sent that to the appraiser and reviewer for any additional questions and feedback or updates they may need.

I'll let you know when they get back with me.

Thanks!

– Michael Woodall

7/24/19 – I received a call this evening from Elizabeth Story. She let me know that she has been retained as counsel for Herman Investments. She asked if I could bring her up to speed on the project and anything that was going on with Parcels 9 and 10. I told her I was at home and did not have everything in front of me but I would be happy to speak with her tomorrow or whenever she was available.

She followed up our conversation with the following email:

Hi Michael,

Thanks for taking my call earlier. I wanted to reach out and let you know that I am representing Herman Investments, owners of Parcel 9 and 10 of the City of Fairburn Project, P.I. # 1517166. I'm just starting to get my head wrapped around these matters, but wanted to touch base briefly on the project schedule and where negotiations are currently. Let me know what days/times work best for you over the next week or so.

Thanks, and have a good evening,

Elizabeth
Elizabeth Story
Counsel

– Michael Woodall

7/25/19 – I sent Elizabeth a reply email:

Good afternoon,

You're welcome. I appreciate the heads up. I'm happy to talk whenever you've got time tomorrow or perhaps sometime Monday after lunch. Please let me know if these or another time works better later in the week.

Thank you,

She replied with:

Hi Michael,

Thanks for your response. Let's plan on Monday after lunch. I can give you a call around 2:30 if that works for you.

Thanks again, and have a great rest of the week.

Elizabeth

I confirmed the time via email:

Works for me, 2:30 it is. Talk with you then.

Thanks and you enjoy your week as well!

– Michael Woodall

7/29/19 – Had a call with Elizabeth Story. Informed her about the acquisition timetable and approximate construction start date in December of 2019 and told her the plan was for the project to take approximately 1 year. She said that as she is trying to get up to speed she would like the following information sent to her:

ROW plans and Cross Sections, the Cost to Cure Estimate with updated traffic circulation pattern and a list of Comps used in valuation.

– Michael Woodall

7/31/19 – Sent an email to Elizabeth Story with the previously requested information:

Elizabeth,

Per our discussion, I have attached the following documents:

Updated Traffic circulation recommendations
ROW plans for Parcels 9 and 10 (most current)
Cross Sections for Parcels 9 and 10
Cost to Cure Estimate for Parcel 9
Parcel 9 Comps
Parcel 10 Comps

Please let me know if there is anything else.

Thank you,

She replied with the following:

Hi Michael,

Thanks for sharing this information. I appreciate it.

A couple of quick questions. Based on the revised right of way plans and change in the size of the taking, are the offers going to be adjusted? It appears that the change in the taking size is a result of moving the property line, but wanted to confirm.

Also, we will most likely be bringing an engineer on board to assess the cost to cure and mitigation options. Do you have CAD files you could share?

Thanks,

Elizabeth
– Michael Woodall

8/1/19 – I sent Elizabeth Story a reply to her previous email:

Good morning,

I have sent these updated plans to the appraiser and the engineer for evaluation based on the property line change. Once I've gotten a determination or update, I will let you know.

I will reach out and see if I can get a copy of the CAD files as well.

Thanks,

She sent a reply saying
Thanks!

– Michael Woodall

8/9/19 – Sent an email to Elizabeth with the following:

Good afternoon,

I do have an update for the cost to cure estimate with drawings for these parcels as well as a full set of the most recent plan updates.

I am unable to provide the requested CAD files.

Have a great weekend,

– Michael Woodall

8/14/19 –

Hi Michael,

Thanks for sending. We are reviewing and will keep you posted. What is the estimated time frame for the project? I want to make sure our engineers/appraisers are aware of any pending deadlines.

Thanks,

Elizabeth

I followed up the same day with:

They are looking to start construction in December of this year and the project is expected to take approximately 1 year.

Thanks!

– Michael Woodall

9/19/19 – Sent an email checking on the status of their appraisal and Cost to Cure she said they were working to get done:

Hi Elizabeth,

I just wanted to check in and see if you had heard anything from your appraiser or engineer.

Thank you and have a great afternoon!

9/27/19 – I received a reply from Elizabeth Story from my previous inquiry:

Hi Michael,

I apologize for the delay. Our engineer is finishing up his report, but my client is out of town, returning the week of October 7th. I hope to have a more substantive update for that week.

Thanks, and have a nice weekend,

Elizabeth

I replied with:

Sounds good. Thanks so much and you enjoy your weekend as well.

– Michael Woodall

10/15/19 – Sent an email to Elizabeth Story:

Good morning Elizabeth,

Just checking in again to see if there is any update.

Thank you!

10/18/19 – Received a reply from Elizabeth Story:

Hi Michael,

I have an update—is there a good time for you to discuss on Monday morning?

Thanks,

Elizabeth

I replied with;

Sure. How is 9?

Thanks!

She sent her reply

Perfect- I will give you a call on your direct line at that time.

Thanks!

Elizabeth Story
Counsel

– Michael Woodall

10/21/19 – Spoke with Elizabeth Story at our scheduled call at 9 am. She said that their engineer – Steve Griffey, told them that there is no cure for the property and feels that our cost to cure will not work.

It took \$100,000 to clean up property when they bought it.

For Parcel 9 she said that the appraiser came up with \$7.55 SF value.

They said in the after it's worth \$3.00 SF in the after

\$388,000 consequential damages, \$100,000 cleanup

Undetermined business damage – they make approx. \$7.5 million per year. They are not interested in closing due to this project. They like their property and it took them 5 years to find one zoned for their type of business.

Discussion had about reconfiguring with Parcel 10

Parcel 10 renter is the former owner of both 9 and 10.

She said she would follow up or call with an email explaining this information in more detail in the next day or so.

– Michael Woodall

11/11/19 – Received email from Elizabeth Story with listed and detailed counteroffer information.

– Michael Woodall

NEGOTIATION RECORD

PROJECT Howell Avenue Extension COUNTY Fulton P.I.# 1517166 PARCEL 10

FEMALE () YES (x) NO

OWNER-TENANT Herman Investments and Holdings LLC c/o Brad Kaufman MINORITY () YES (x) NO

ADDRESS 100 Howell Avenue, Fairburn, GA 30213 PHONE 470-278-8433

AGENT _____ PHONE _____
(NAME) (ADDRESS)

ATTORNEY _____ PHONE _____
(NAME) (ADDRESS)

The undersigned hereby acknowledges that the subject PARCEL is to be secured for use in connection with the aforesaid HIGHWAY PROJECT, and I (WE) have no direct or indirect, past or present, or contemplated future personal interest in parcel or in any benefit from the acquisition of such property. This record is complete and I have thoroughly explained to the owner or owner's representative any/all construction features including but not limited to existing and required R/W boundaries; construction fill or cut limit bank slopes; roadway shoulder slopes; road grade levels; drainage; utilities; edges of paving/curbing/gutter; driveway profiles; etc., as applicable for this parcel. I have explained all documents, forms, and letters in their entirety and answered any/all questions and addressed any/all concerns as stated and explained in below record.

Staff or Consultant NEGOTIATOR: Michael Woodall DATE _____

Monetary offer for the above named interest: \$ _____

The following is to be answered prior to and following first contact:

TITLE INFORMATION

Preliminary title report in: YES () NO () Copy of deed attached to report: YES () NO ()

Date of Deed: _____ Indicated Purchase Price: \$ _____

Names and Addresses of all parties secured during contact including Tenants: YES () NO ()

CONSTRUCTION DETAILS

New Location |] Widening |] Existing typical section: _____

Plan typical section: _____

Curb and Gutter: YES () NO () Access Rights Required: YES () NO ()

Date Assigned: _____ Date First Offer Made: _____ See Attached Record for details.

I (WE), the undersigned, do certify that: (1) the written agreement secured embodies all of the considerations agreed upon between the Department and the property owner (2) the agreement was reached without coercion or threats of any kind whatsoever by or to either party (3) this negotiation record and parcel file is complete and contains all required documentation.

This _____ day of _____, 20____.

NEGOTIATOR _____ DATE _____

TEAM LEADER _____ DATE _____

APPEALS OFFICER OR CONSULTANT COORDINATOR _____ DATE _____

2/22/19 – Mailed Introduction letter certified mail.

2/27/19 – Green card received by E. Thornton Anderson

3/5/19 – Nathaniel Kimbro and I met with Brad Kaufman and his business partner Jay Herzog. They had heard some about the proposed project but not very much and these were the first set of plans presented to them. We discussed the requested amount of Required Right of Way – 2,673.38 SF or 0.061 AC and the Temporary Easement area – 1,676.99 SF or 0.038 AC. We also discussed the Cross Sections along with the significant road shift into their existing property and resulting new intersection. Jay then informed us that Herman Investments and Holdings, LLC. had just completed the purchase of this property from Howell Fairburn on the ROW plans. Additionally, when they purchased what is currently Parcel 9, they bought a portion of Howell Fairburn's property that abuts theirs approximately 10 feet across the front and 40 feet deep that is not reflected on the plans. We also said that the title work had not been completed and that these were still preliminary plans and we would provide updates as we receive them. As we began to discuss the donation offer package request, Brad and Jay let us know they were not interested in donating the property and were more concerned with what they saw as maneuverability issues this project will cause them. I told them that an engineer would be coming out to complete Cost to Cure study for any issues related to the property and upon completion of the appraisal, we would discuss both with them. Nathaniel went outside and walked the property to get a look at the approximate areas impacted by the acquisition and easement areas.

Another question they had about the proposed road was about a traffic signal for the intersection. I told them that I was not aware of the current traffic control plans but that I would get with the design team and see what the plan was for the area.
– Michael Woodall

3/8/19 – I emailed Brad the following:

Good morning,

The appraiser will be reaching out soon. It will be Kenneth Cantrell or an associate of his with Valbridge Property Advisors.

Please let me know if there are any questions and have a great weekend.

Thanks!

- I emailed Brad again after I spoke with Scott Jordan at SEI about the question Brad had about the red light.

Good afternoon Brad,

In speaking with the project designer, he said that there is still some on-going determinations about having a traffic light at that exchange. Once I determination has been made, I will let you know.

Thanks!

– Michael Woodall

5/7/19 – Spoke with Brad to let him know we are in receipt of the appraisal and would like to set a meeting. We set it up for 5/21/19 @ 10:30 AM with he and Jay Herzog. – Michael Woodall

5/21/19 – Met with Brad Kaufman and Jay Herzog at their office to discuss the offer and Cost to Cure.

We talked about what the project entailed which is that it is one 12' travel lane in each direction with 14' flush middle turn lane -- 10' shoulder (5' sidewalks & 2' grass strip). We went over the plans for their parcel by discussing the location and amount of both the Right of Way required being 2,673.38 SF or 0.061 AC for the road project and the temporary easement area 1,676.99 SF or 0.038 AC that would be needed to be used during construction. Additionally, we went over and discussed the Cross Sections for the property and how any of the elevation changes tie back into the existing parking lot and the connection of Howell Avenue and Fairburn Ind. Blvd. meet at the new intersection. They asked if a red light was still being considered and I told them that there were ongoing discussions about it with GDOT, but no decision had been reached as of this meeting.

Brad mentioned that the property lines still had not been addressed on this update. He pulled up a current overhead picture he had and emailed it to me to show the current property layout. I told him that I would get with the development team at SEI and make certain that they update the property line to reflect these changes.

They informed me that they have a tenant in place on parcel 10 who they have locked in for 5 years. While they have a business plan that reflects an expansion plan that includes combining both properties, Brad said that income will be lost if the timetable for their expansion is moved up and they need to redesign the property to make use of parcel 10 now.

Another concern they have is the current Cost To Cure and traffic pattern. They don't feel the CTC traffic pattern works well for them. The biggest issue is the diesel fuel tank and essentially every truck that comes on the property as well as all deliveries would need to constantly be driving around it and exposing it to possible collision.

Also, they had concerns related to the security fencing. They stated that the reason they had the fence they do was because of the area they were in and they wanted to be sure that whatever temporary fencing was used would be as secure and that any replacement fencing would be of similar grade.

– Michael Woodall

5/23/19 – Sent the following email to Scott Jordan and Travis Williams with SEI to have the current property line reflected on the plans for both Parcels 9 and 10:

Good morning,
Can we get the plans updated to reflect the new property lines? I have attached the appraisals that reflect the new lines. It, unsurprisingly, hasn't been updated on the county website.

Thanks!

– Michael Woodall

6/12/19 – Phone call with Brad and Jay to discuss a possible counteroffer and additional concerns they have. Confirmed with them that I spoke with SEI to about the need to update the plans with the new property line issue that SEI was sending someone out to do a survey for that.

The counteroffer they have asked for is - **\$656,300** total for both for 10 and 9 offers
Here is how that breaks down –

\$ 252,000 - 5 years of lost rent income

\$ 100,000 - cleanup costs

\$ 304,300 - balance for R/W and CTC

As their business plan called for renting this building for 5 years before they saw the need for expanding, they feel their tenant will be very upset and would leave “kicking and screaming handing them a mess to cleanup” when they leave so that's where the additional fee comes in.

Also, they felt the loss of employee parking and storage areas were more significant and detrimental than what has been accounted for in the CTC.

Additionally, they wanted, in writing, who was responsible for the temporary and permanent fencing and they what they get back would be as good as what they currently have now.

I told them I would have the Cost to Cure Engineer reach out to them to discuss the traffic pattern.

I also said I would discuss their offer with The City of Fairburn and get back with them after they have spoken with the engineer and I have received the updated Cost to Cure / traffic pattern change from the engineer.

– Michael Woodall

7/16/19 – I received the updated Cost to Cure traffic information and sent it to review. I emailed Brad Kaufman the following to keep him informed:

Good afternoon Brad,

I hope all is well. I just wanted to touch base and let you know that I received the updated information for the Cost to Cure from Ricardo based on his conversation with you. I have sent that to the appraiser and reviewer for any additional questions and feedback or updates they may need.

I'll let you know when they get back with me.

Thanks!

– Michael Woodall

7/24/19 – I received a call this evening from Elizabeth Story. She let me know that she has been retained as counsel for Herman Investments. She asked if I could bring her up to speed on the project and anything that was going on with Parcels 9 and 10. I told her I was at home and did not have everything in front of me but I would be happy to speak with her tomorrow or whenever she was available.

She followed up our conversation with the following email:

Hi Michael,

Thanks for taking my call earlier. I wanted to reach out and let you know that I am representing Herman Investments, owners of Parcel 9 and 10 of the City of Fairburn Project, P.I. # 1517166. I'm just starting to get my head wrapped around these matters, but wanted to touch base briefly on the project schedule and where negotiations are currently. Let me know what days/times work best for you over the next week or so.

Thanks, and have a good evening,

Elizabeth
Elizabeth Story
Counsel

– Michael Woodall

7/25/19 – I sent Elizabeth a reply email:

Good afternoon,
You're welcome. I appreciate the heads up. I'm happy to talk whenever you've got time tomorrow or perhaps sometime Monday after lunch. Please let me know if these or another time works better later in the week.

Thank you,

She replied with:

Hi Michael,

Thanks for your response. Let's plan on Monday after lunch. I can give you a call around 2:30 if that works for you.

Thanks again, and have a great rest of the week.

Elizabeth

I confirmed the time via email:

Works for me, 2:30 it is. Talk with you then.

Thanks and you enjoy your week as well!

– Michael Woodall

7/29/19 – Had a call with Elizabeth Story. Informed her about the acquisition timetable and approximate construction start date in December of 2019 and told her the plan was for the project to take approximately 1 year. She said that as she is trying to get up to speed she would like the following information sent to her:

ROW plans and Cross Sections, the Cost to Cure Estimate with updated traffic circulation pattern and a list of Comps used in valuation.

– Michael Woodall

7/31/19 – Sent an email to Elizabeth Story with the previously requested information:

Elizabeth,

Per our discussion, I have attached the following documents:

Updated Traffic circulation recommendations
ROW plans for Parcels 9 and 10 (most current)
 Cross Sections for Parcels 9 and 10
Cost to Cure Estimate for Parcel 9
 Parcel 9 Comps
 Parcel 10 Comps

Please let me know if there is anything else.

Thank you,

She replied with the following:

Hi Michael,

Thanks for sharing this information. I appreciate it.

A couple of quick questions. Based on the revised right of way plans and change in the size of the taking, are the offers going to be adjusted? It appears that the change in the taking size is a result of moving the property line, but wanted to confirm.

Also, we will most likely be bringing an engineer on board to assess the cost to cure and mitigation options. Do you have CAD files you could share?

Thanks,

Elizabeth
– Michael Woodall

8/1/19 – I sent Elizabeth Story a reply to her previous email:

Good morning,

I have sent these updated plans to the appraiser and the engineer for evaluation based on the property line change. Once I've gotten a determination or update, I will let you know.

I will reach out and see if I can get a copy of the CAD files as well.

Thanks,

She sent a reply saying
Thanks!

– Michael Woodall

8/9/19 – Sent an email to Elizabeth with the following:

Good afternoon,

I do have an update for the cost to cure estimate with drawings for these parcels as well as a full set of the most recent plan updates.

I am unable to provide the requested CAD files.

Have a great weekend,

– Michael Woodall

8/14/19 –

Hi Michael,

Thanks for sending. We are reviewing and will keep you posted. What is the estimated time frame for the project? I want to make sure our engineers/appraisers are aware of any pending deadlines.

Thanks,

Elizabeth

I followed up the same day with:

They are looking to start construction in December of this year and the project is expected to take approximately 1 year.

Thanks!

– Michael Woodall

9/19/19 – Sent an email checking on the status of their appraisal and Cost to Cure she said they were working to get done:

Hi Elizabeth,

I just wanted to check in and see if you had heard anything from your appraiser or engineer.

Thank you and have a great afternoon!

9/27/19 – I received a reply from Elizabeth Story from my previous inquiry:

Hi Michael,

I apologize for the delay. Our engineer is finishing up his report, but my client is out of town, returning the week of October 7th. I hope to have a more substantive update for that week.

Thanks, and have a nice weekend,

Elizabeth

I replied with:

Sounds good. Thanks so much and you enjoy your weekend as well.

– Michael Woodall

10/15/19 – Sent an email to Elizabeth Story:

Good morning Elizabeth,

Just checking in again to see if there is any update.

Thank you!

10/18/19 – Received a reply from Elizabeth Story:

Hi Michael,

I have an update—is there a good time for you to discuss on Monday morning?

Thanks,

Elizabeth

I replied with;
Sure. How is 9?

Thanks!

She sent her reply
Perfect- I will give you a call on your direct line at that time.

Thanks!

Elizabeth Story
Counsel

– Michael Woodall

10/21/19 – Spoke with Elizabeth Story at our scheduled call at 9 am. She said that their engineer – Steve Griffey, told them that there is no cure for the property and feels that our cost to cure will not work.

It took \$100,000 to clean up property when they bought it.

For Parcel 9 she said that the appraiser came up with \$7.55 SF value.

They said in the after it's worth \$3.00 SF in the after

\$388,000 consequential damages, \$100,000 cleanup

Undetermined business damage – they make approx. \$7.5 million per year. They are not interested in closing due to this project. They like their property and it took them 5 years to find one zoned for their type of business.

Discussion had about reconfiguring with Parcel 10

Parcel 10 renter is the former owner of both 9 and 10.

She said she would follow up or call with an email explaining this information in more detail in the next day or so.

– Michael Woodall

11/11/19 – Received email from Elizabeth Story with listed and detailed counteroffer information.

– Michael Woodall



City of Fairburn
Howell Avenue Extension
New Location Project
Fulton County, Georgia

Prepared for: City of Fairburn
Project ID No.: 1015-17-66
Parcel No.: 9 & 10
Owner: Howell Fairburn, L.L.C.
Fulton County, Georgia
March 04, 2019

Revision 1: April 21, 2019

PE-2019-03-015



PALACIOS ENGINEERING
CIVIL ENGINEERING CONSULTANTS



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226 Middleton Place
Grayson, Georgia 30017

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March 04, 2019

Revision 1: April 21, 2019



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Executive Summary

The following report is a Site Analysis - Mitigation Report and Cost-To-Cure Estimate for an industrial property impacted by the City of Fairburn's Right of Way acquisition and proposed road improvements near the intersection of S.R. 74 / Senoia Road and Howell Avenue Extension. The subject property is identified on the City of Fairburn's drawings as Parcel(s) No. 9 & 10, which are located on the north east quadrant formed by the intersection of S.R. 74 / Senoia Road and the Howell Avenue Extension a.k.a. 98 Howell Road, Fairburn, Fulton County, Georgia.

Palacios Engineering, Inc., conducted an inspection of the property on 02/24/2019. Our subsequent analysis included the photographic documentation of existing improvements. We reviewed Right-of-Way plans prepared for the City of Fairburn by Southeastern Engineering Inc. (dated 01/31/2019 and transmitted electronically on 02/27/2019) to determine the required Right-of-Way Acquisition and Easements Requirements of the proposed road improvement project. Palacios Engineering then prepared an "Existing Conditions and Proposed Mitigation Plan" and a "Cost to Cure Estimate".

Palacios Engineering, Inc. sincerely appreciates the opportunity to provide you with this analysis and look forward to working with you and your company.

If you need any additional information regarding this project or if you have any questions regarding the information presented in this document, please feel free to contact:

Ricardo Palacios, P.E.
Palacios Engineering, Inc.
226 Middleton Place
Grayson, GA 30017

Tel. 770.845.5345
E-mail. rpalacios@palacioseng.com



Project Scope

- I. Identify Existing Site Improvements
- II. Create Photographic Record of Existing Site Improvements
- III. Mitigate Impacted Site Improvements
- IV. Prepare Cost-to-Cure Estimates for Mitigated Impacts



Existing Conditions

The subject Parcel(s) 9 & 10 are located at 98 Howell Avenue, Fairburn, Fulton County, Georgia. The subject Parcel 9 contains a one-story building encompassing approximately 10,000 s.f. and arranged approximately as shown on the attached drawing CTC 1 of 1.

The north side building contains a parking area spanning Parcel(s) 9 & 10 which accommodates a total 25 parking spaces, the south side of the building contains an additional 4 parking spaces and outdoor storage area, arranged approximately as shown on the attached drawing CTC 1 of 1.

The subject Parcel 9 is currently accessible through a main driveway located along the Howell Avenue road frontage.

The perimeter of the property is secured by a 6' high chain link fence with 3 strand barbed wire and is accessible through a sliding gate located across the existing driveway. The fence is protected by a series of 2.5' x 2.5 x 5' pre-cast stackable concrete blocks arranged as shown on the attached drawing CTC 1 of 1.



Impacts

Because of the City of Fairburn's required Right of Way and Temporary Easements along the Howell Road Extension frontage, the following site improvements will be impacted:

- 6' High chain link fence with 3 strand barbed wire located along the Howell Avenue frontage will need to be at least demolished by the City of Fairburn as needed to clear the required Right of Way and Temporary Easement.
- Gate controller and intercom system located on the main driveway will need to be relocated as needed to clear the required Right of Way and Temporary Easement.
- 2.5' x 2.5' x 5' pre-cast stackable concrete blocks located along the western perimeter of the property will need to be relocated as needed to clear the required Right of Way and Temporary Easement.
- Gravel parking area located along the Howell Avenue frontage and outside of the secured perimeter will need to be relocated as needed to clear the required Right of Way and Temporary Easement.



Recommendations

To mitigate impacts to existing improvements resulting from the City of Fairburn's required Right of Way and Temporary Easement along the Howell Road Extension frontage, Palacios Engineering recommends the property owner make the following changes, as needed, to maintain maximum utility of the remaining property:

- 6' High chain link fence with 3 strand barbed wire located along the Howell Avenue frontage will need to be at least demolished by the City of Fairburn as needed to clear the required Right of Way and Temporary Easement. Prior to commencement of C.O.F. road construction, Palacios Engineering recommends the property owner erect a new 30' wide permanent sliding gate, personnel gate, and 6' high chain link gate with 3 strand barbed wire, as shown on the attached drawing CTC 1 of 1. We then recommend the property owner erect approximately 180 l.f. of temporary chain link fence to maintain a secured perimeter, the temporary fence sections should be erected as needed to clear the required Right of Way and Temporary Easements, approximately as shown on the attached drawing CTC 1 of 1 and maintained during periods of C.O.F. road construction.

After completion of C.O.F. road construction we recommend the property owner demolish the 180 l.f. of temporary fencing and erect new 240 l.f. of permanent chain link fence parallel to the required Right of Way, approximately as shown on the attached drawing CTC 1 of 1.

- Gate controller and intercom system located on the main driveway will need to be relocated as needed to clear the required Right of Way and Temporary Easement. Prior to commencement of C.O.F. road construction and in conjunction with relocation of the gates, Palacios Engineering recommends the property owner relocate gate controllers, motors etc. as needed to clear the required Right of Way and Temporary Easements, approximately as shown on the attached drawing CTC 1 of 1.
- 2.5' x 2.5' x 5' pre-cast stackable concrete blocks located along the western perimeter of the property will need to be relocated as needed to clear the required Right of Way and Temporary Easement. Palacios



Engineering recommends the property owner relocate the existing pre-cast concrete blocks as needed to protect the temporary fence during periods of C.O.F. road construction.

After completion of road construction, demolition of the temporary fence and construction of the new permanent fence, we recommend the property owner relocate the existing pre-cast concrete blocks again, as shown on the attached drawing CTC 1 of 1.

- Gravel parking area located along the Howell Avenue frontage and outside of the secured perimeter will need to be relocated as needed to clear the required Right of Way and Temporary Easement. Palacios Engineering recommends that the gravel parking area be relocated to the area east of the temporary fence and immediately south of the main access gate, as needed to maintain 10 gravel parking spaces outside of the required Temporary Easement, as shown on the attached drawing CTC 1 of 1.

After completion of road construction, demolition of the temporary fence and construction of the new permanent fence, relocated of the existing pre-cast concrete blocks, Palacios Engineering recommends that the gravel parking are be relocated to the east side of the permanent fence and south of the main driveway, as needed to maintain 6 gravel parking spaces outside of the Required Right of Way, as shown on the attached drawing CTC 1 of 1.

Therefore, the available gravel parking spaces along Howell Avenue will be reduced from the existing 15 parking spaces, to 10 parking spaces during periods of C.O.F. construction and to 6 parking spaces, after completion of C.O.F. construction. A reduction of 9 parking spaces.

The additional 9 parking spaces cannot be relocated within the remaining secured perimeter without interfering with re-fueling, storage and the internal circulation of the property,



Cost to Cure Estimate

The following is a good faith estimate of the expenses to be incurred by the owner to maintain maximum utility of the remaining site and its improvements. This estimate is valid as of 04/21/2019 or as shown on the accompanying "Proposed Mitigation" drawing.

| Item Description | Unit | Qty. | Unit Price | Total Cost |
|---|------|--------|------------|--------------------|
| Demolish Exist. Chain Link Fence (8' to 10' High) | L.F. | 300.00 | \$4.40 | \$1,320.00 |
| Demolish Temp. Chain Link Fence (8' to 10' High) | L.F. | 180.00 | \$4.40 | \$792.00 |
| New Temp. Chain Link Fence 6' High, 3 Strand Barbed | L.F. | 180.00 | \$29.50 | \$5,310.00 |
| New Perm. Chain Link Fence 6' High, 3 Strand Barbed | L.F. | 240.00 | \$29.50 | \$7,080.00 |
| New Chain Link Fence Gate 6' High, 3' Wide (Ind. Grac | EA. | 1.00 | \$150.00 | \$150.00 |
| New Chain Link Fence Gate 6' High, 30' Wide (Cant.) | EA. | 1.00 | \$6,500.00 | \$6,500.00 |
| New Conc. Filled Bollard 6" | EA. | 6.00 | \$800.00 | \$4,800.00 |
| Relocate Exist. DKS Sliding Gate Operator | EA. | 1.00 | \$3,700.00 | \$3,700.00 |
| Relocate Exist. DKS PC Programmable Controller | EA. | 1.00 | \$1,750.00 | \$1,750.00 |
| Relocate Exist. DKS Mounting Post | EA. | 1.00 | \$500.00 | \$500.00 |
| Relocate Exist. DKS Miscellaneous Accessories | LUMP | 1.00 | \$3,500.00 | \$3,500.00 |
| Relocate Exist. Pre-Cast Stackable Concrete Blocks (2 EA. | | 10.00 | \$210.00 | \$2,100.00 |
| Relocate Exist. Pre-Cast Stackable Concrete Blocks (2 EA. | | 31.00 | \$210.00 | \$6,510.00 |
| Waste Handling / Disposal (6 C.Y., 2 Tons) | EA. | 1.00 | \$455.00 | \$455.00 |
| Supervision | WKS | 2.00 | \$4,275.00 | \$8,550.00 |
| | | | | \$53,017.00 |
| Contingencies and Contractor's Fees (25%) | | | | \$13,254.25 |
| Engineering Fees | | | | \$5,400.00 |
| Site Permitting | | | | \$1,400.00 |
| Site Construction and Engineering Total: | | | | \$73,071.25 |



Appendix

I. Site Photographs

II. Site Drawings

Existing Conditions / Proposed Mitigation Drawings (11"X17")

Existing Conditions / Proposed Mitigation Drawings (24"X36")



I. Site Photographs



VIEW NO. 1

1. Existing chain link fence to be demolished as needed to clear the required Right of Way.
2. Existing pre-cast conc. blocks to be relocated as needed to protect the temporary and permanent fence.



VIEW NO. 2

3. Existing sliding gate to be demolished as needed to clear the required Right of Way.
4. Existing conc. filled bollards to be as needed to clear the required Right of Way.



VIEW NO. 3

- 5. Existing gate controller / intercom system to be relocated as needed to clear the required Right of Way and Temporary Easement.
- 6. Existing conc. filled bollards to be as needed to clear the required Right of Way.



VIEW NO. 4

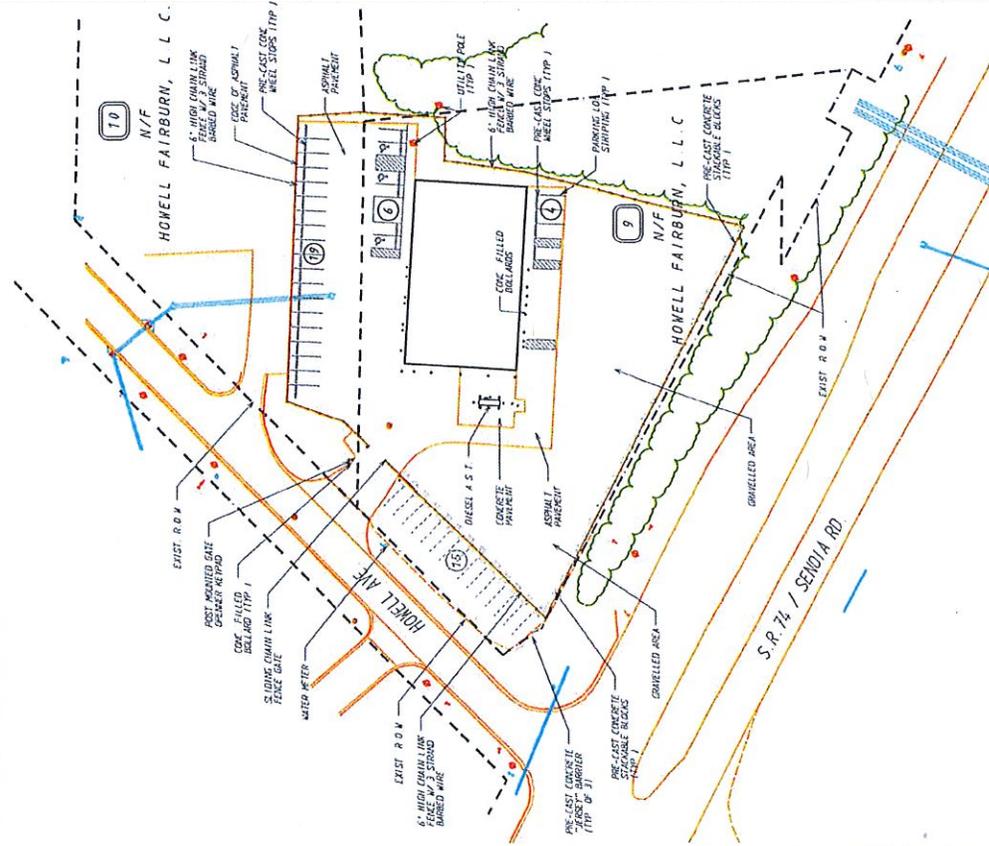
- 7. Existing gravel parking area along the Howell Avenue frontage to be relocated, as needed to clear the required Temporary Easement during periods of C.O.F. construction, then relocated as needed to clear the required Right of Way, after completion of C.O.F. construction.



II. Site Drawings



EXISTING CONDITIONS



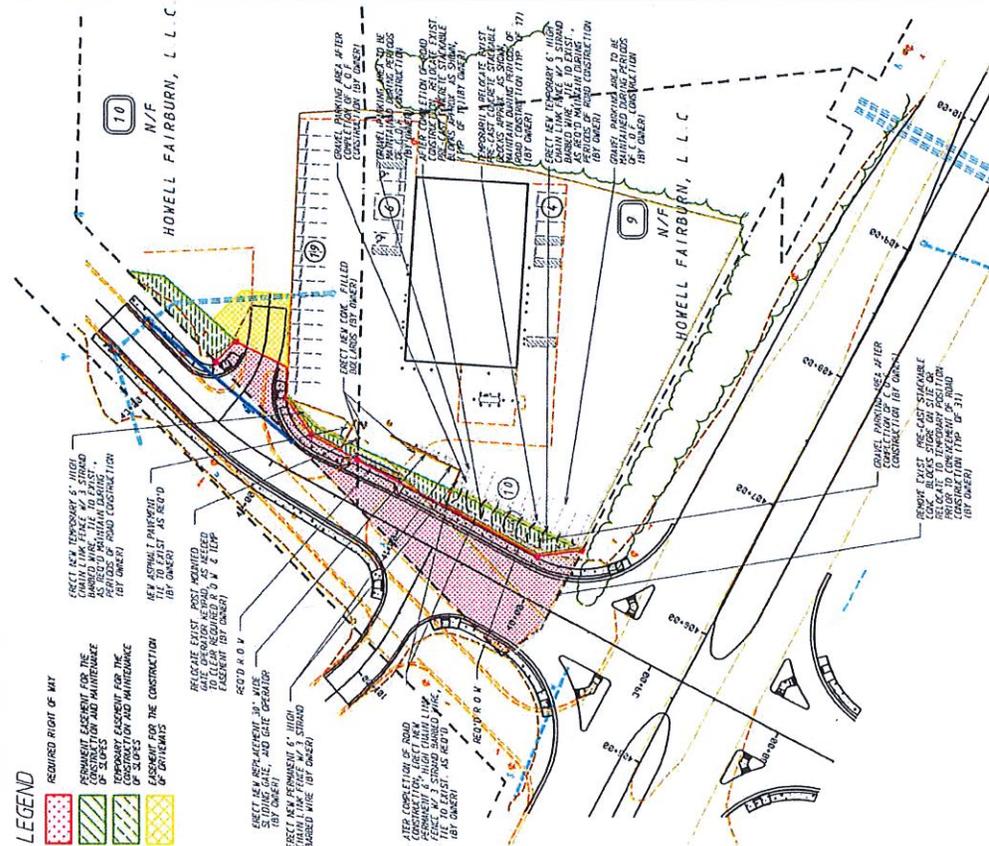
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PARKING SUMMARY

| | |
|----------------------------|----|
| EXISTING PARKING | 29 |
| EXISTING GRASS PARKING | 15 |
| TOTAL HONELL ROAD FRONTAGE | |

PROPOSED MITIGATION



PARKING SUMMARY

| | | | | | |
|----------------------------|----|--|----|--|----|
| EXISTING PARKING | 29 | PROPOSED PARKING DURING PERIODS OF 6.0 TO 7.0 COST | 29 | PROPOSED PARKING AFTER COMPLETION OF 6.0 TO 7.0 COST | 29 |
| EXISTING GRASS PARKING | 15 | PROPOSED GRASS PARKING DURING PERIODS OF 6.0 TO 7.0 COST | 10 | PROPOSED GRASS PARKING AFTER COMPLETION OF 6.0 TO 7.0 COST | 6 |
| TOTAL HONELL ROAD FRONTAGE | | TOTAL HONELL ROAD FRONTAGE | | TOTAL HONELL ROAD FRONTAGE | |

LEGEND

- REQUIRED RIGHT OF WAY
- PERMANENT RESERVE FOR THE MAINTENANCE AND REPAIR OF SLOPES
- TEMPORARY EROSION CONTROL MEASURES
- EASEMENT FOR THE CONSTRUCTION OF UTILITIES

CITY OF FAIRBURN
DEPARTMENT OF PUBLIC WORKS
PROJECT NO. 1075-17-66
HONELL AVENUE EXTENSION
NEW LOCATION PROJECT
COST TO CORRE AND MITIGATION STUDY
FOR HONELL FAIRBURN, L.L.C.
LAND LOT 43, LAND DISTRICT 25, GMD 1131
PARCEL NO. 9710, FULTON COUNTY

PALACIOS ENGINEERING
CIVIL ENGINEERING CONSULTANTS
224 MIDCOTTON PLACE
FULTON, GEORGIA 30217
TEL: 678 326 7475 FAX: 678 326 7551

PROFESSIONAL SEAL
PALACIOS ENGINEERING, INC.
REGISTERED PROFESSIONAL ENGINEER
STATE OF GEORGIA
NO. 1075-17-66
DATE: 03/11/15

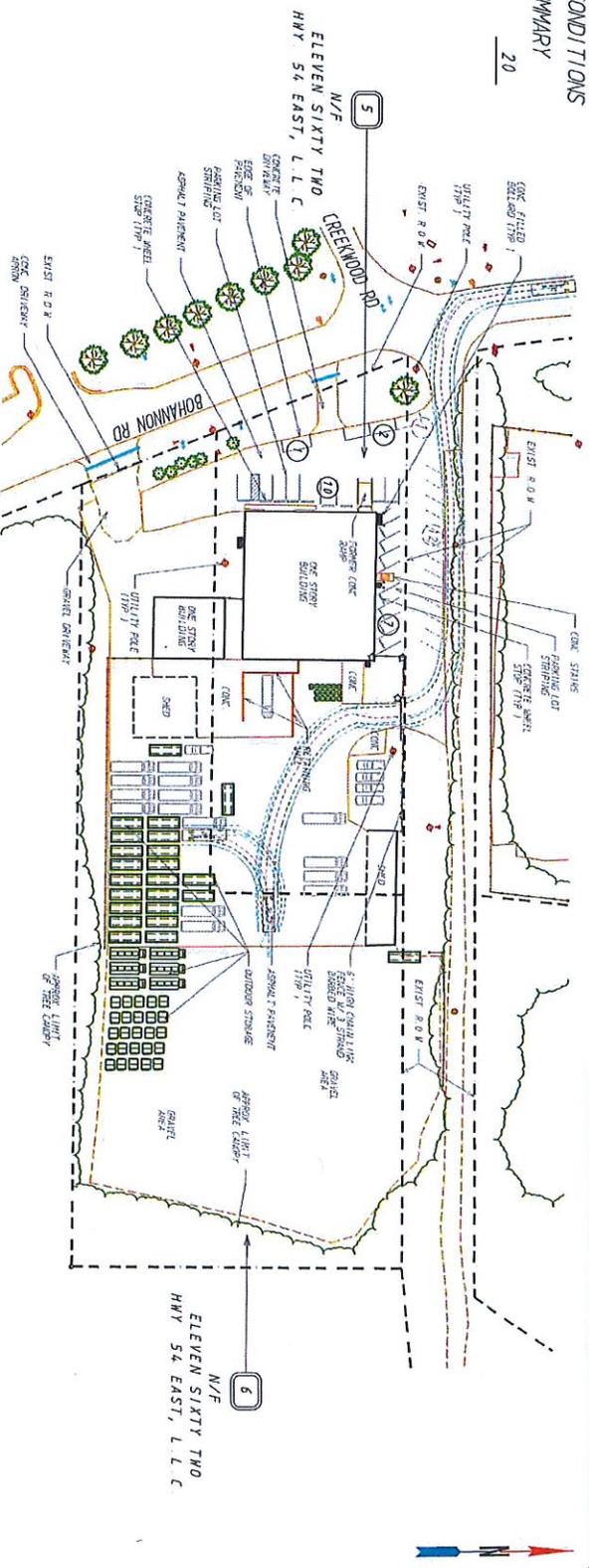
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EXISTING CONDITIONS

PARKING SUMMARY

20

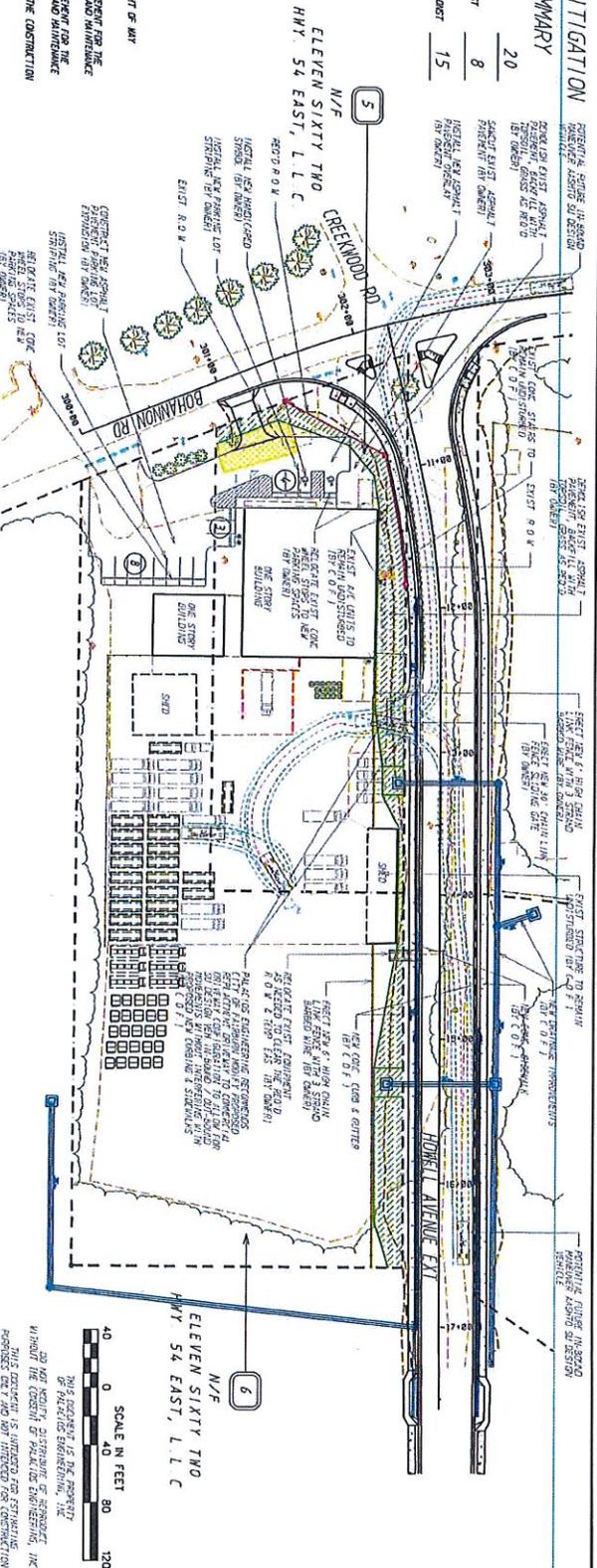


PROPOSED MITIGATION

PARKING SUMMARY

20

PROPOSED PARKING PERIODS OF 6.0 D.T. COST 8
 PROPOSED PARKING PERIODS OF 6.0 D.T. COST 15



LEGEND

- REQUIRED RIGHT OF WAY
- PROPOSED PAVEMENT FOR THE CONSTRUCTION AND MAINTENANCE OF SLOPES
- PROPOSED PAVEMENT FOR THE CONSTRUCTION AND MAINTENANCE OF SLOPES
- EXISTING PAVEMENT FOR THE CONSTRUCTION AND MAINTENANCE OF SLOPES



| | |
|-------------|----------------------|
| PROJECT NO. | 2019-03-014 |
| DATE | 01/11/19 |
| SCALE | AS SHOWN |
| PROJECT | NEW LOCATION PROJECT |
| DATE | 01/11/19 |
| PROJECT | NEW LOCATION PROJECT |
| DATE | 01/11/19 |



PALACIOS ENGINEERING
 CIVIL ENGINEERING CONSULTANTS
 226 MIDDLETON PLACE GRAYSON GEORGIA 30417
 TEL 678 376 7411 FAX 678 376 7511

CITY OF FAIRBURN
 DEPARTMENT OF PUBLIC WORKS
 PROJECT NO 1015-17-66
 HOWELL AVENUE EXTENSION
 NEW LOCATION PROJECT

| REV | DATE | REVISION |
|-----|----------|---------------------------------|
| 1 | 01/23/19 | REV C/C PER REVIEWER'S COMMENTS |
| | | |
| | | |
| | | |

COST TO CURE AND MITIGATION STUDY
 FOR ELEVEN SIXTY TWO HWY. 54 EAST, L.L.C
 LAND LOT 49, LAND DISTRICT 25, GMD 1134
 PARCEL NO 576, FULTON COUNTY



Elizabeth R. Story
Counsel
Telephone: 404.665.1229
Direct Fax: 404.869.6972
elizabethstory@parkerpoe.com

Atlanta, GA
Charleston, SC
Charlotte, NC
Columbia, SC
Greenville, SC
Raleigh, NC
Spartanburg, SC
Washington, DC

November 11, 2019

This correspondence is sent and submitted solely for the purpose of compromising or attempting to compromise Herman Investments & Holdings, LLC's and BlackJack Paving Sealcoating & Striping, LLC's claims and, as a result, nothing contained herein shall be admissible in any legal proceeding of any kind whatsoever. O.C.G.A. 24-4-408

VIA US MAIL
VIA EMAIL: mwoodall@thcinc.net

Michael Woodall
3300 Breckinridge Blvd
Suite 200
Duluth, GA 30096

Re: **City of Fairburn ("City"); PI No. 1517166 ("Project");
Herman Investments & Holdings LLC: Parcels 9 and 10**

Hi Michael,

As a follow-up to our discussion, I represent Herman Investments & Holdings, LLC ("Herman Investments"), fee owner of the properties located at 98 Howell Avenue, Fairburn, GA, identified as Parcel 9 of the Project ("Parcel 9") and 100 Howell Avenue, Fairburn, GA identified as Parcel 10 of the Project ("Parcel 10"). I also represent BlackJack Paving Sealcoating & Striping, LLC, ("BlackJack"), the business operating on Parcel 9.

The City's Project requires the taking of significant frontage along Parcel 9. As a result, the taking eliminates essential parking and restricts ingress of tractor trailers and other large trucks essential to the operation of BlackJack's business. Unfortunately, the City's cost to cure does not adequately address these impacts. Herman Investments and BlackJack hired Steve Griffey of Planning Design Group to review and analyze the impacts of the City's taking on Parcel 9. Mr. Griffey determined that the City's acquisition on Parcel 9 resulted in "non-curable" impacts, ultimately preventing BlackJack from operating on Parcel 9.

As a result of the non-curable impacts, the highest and best use of Parcel 9 changes from a property that can support a high-volume/large truck operation to a property that can support only a low-volume/small truck operation. Given the change in highest and best use of the Parcel 9, Herman Investments is willing to accept the amount of \$562,370.00 for the taking and damaging of the property. This value is based on \$7.55/square foot for the taking, \$388,452 in consequential damages, and additional \$100,000 for the improvements and fixtures, and further outlined below:

PPAB 5190887v1

November 11, 2019
Page 2

Parcel 9:

- Before Value: \$715,000
- Taking: \$73,918
- Remainder Before: \$644,524
- Remainder After: \$256,072
- Consequential Damages: \$388,452
- Improvements/Fixtures: \$100,000

Total: 562,370

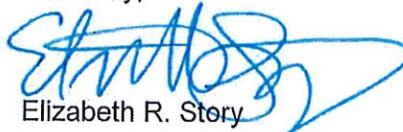
In addition to Herman Investment's claim for compensation, BlackJack will be seeking relocation and business damages. BlackJack's operations require a location with extremely specific characteristics, which includes certain zoning requirements, as well as close proximity to the interstate. It took several years for BlackJack to find a property like Parcel 9, which is perfectly situated for its business. Based on the City's Project and taking on Parcel 9, BlackJack will no longer be able to operate on the property, and will suffer permanent business damages, as well as interim business damages as it seeks a place for relocation. BlackJack anticipates that its damages could range from \$2,000,000 - \$7,500,000.

The City's taking on Parcel 10 will not result in any additional consequential damage, as its tenant can remain on the property after the taking. Based on the a value of \$7.55/square foot and improvements impacted, Herman Investments is willing to accept the amount of \$15,000 as just and adequate compensation for the taking of the property.

However, in an effort to relocate BlackJack and mitigate overall damage to BlackJack caused by the project, Herman Investments has assessed the possibility of relocating BlackJack on Parcel 10. However, by doing so, Herman Investments will lose lease income on Parcel 10 and incur additional expense to reconfigure Parcel 9/10 to function as a single property. Therefore, in lieu of full business damages to BlackJack, Herman Investments will consider loss of rental income to Parcel 10, plus costs to reconfigure Parcel 9/10 to function as a single property. This amount is still being determined and would be in addition to the total just and adequate compensation for property taken for both Parcel 9 and 10.

In summary, the parties final encompassing demand would be: \$577,370 (\$562,370 + \$15,000), plus loss of rental income on Parcel 10 and costs to reconfigure Parcel 9/10 to function as single property. We expect to have supplemental information shortly, and look forward to working with the City on an amicable resolution. Please let me know when you would like to discuss further.

Sincerely,



Elizabeth R. Story

ERS:aon



CITY OF FAIRBURN
CITY COUNCIL AGENDA ITEM

SUBJECT: Text Amendment 20TA-001 - Chapter 8. Alcoholic Beverages. Article VIII. Microbreweries and Brew Pub Ordinance

() AGREEMENT () POLICY / DISCUSSION () CONTRACT
(X) ORDINANCE () RESOLUTION () OTHER

Submitted: 11/19/19 Workshop: 11/25/19 Council Meeting: 11/25/19

DEPARTMENT: Community Development/Planning and Zoning Office

BUDGET IMPACT: None

PUBLIC HEARING: () Yes (X) No

PURPOSE: For the Mayor and Council to review the proposed Microbreweries and Brew Pub Ordinance.

DISCUSSION: Craft breweries in Georgia, and in the Metro Atlanta Region specifically, have grown in popularity for many years now. New breweries have been sprouting up over metro Atlanta since 2011, when Senate Bill 85 was signed into law, loosening restrictions on direct beer sales to consumers, and allowing production breweries to add food service. Breweries have proven to have economic development advantages as well. In 2011, Georgia was home to 21 craft breweries, and today, the amount has more than doubled to 53 statewide. In 2016, it was estimated that beer's annual economic impact for Georgia was \$8.5 billion, and more than \$1.6 billion of that was generated by craft beer.

Breweries are much more than unique spaces to sample brews. They have proven their value to their communities by providing jobs, serving as gathering places and building a brand to stand behind. For small cities like Fairburn, they are often a beacon for visitors and tourists, and have been at the forefront of downtown revitalization efforts for cities such as Hapeville and Decatur and Atlanta communities like Summerhill and West End.

Currently, the City of Fairburn does not have an ordinance to regulate microbreweries and brew pubs. The proposed Microbreweries and Brew Pub Ordinance will regulate the manufacturing, sale, distribution, hours of operation, sanitary conditions and location of microbreweries and brew pubs in the City of Fairburn. The city has a history of beer manufacturing with the Strawn Brewing Company, which operated in the city from August 2011 to June 2017. A small craft microbrewery is proposing to locate at the former Strawn Brewing Company premises at 25 Word Street. The microbrewery is intending to create a community gathering place which will celebrate the history and traditions of the area while producing a hand-crafted product from locally sourced ingredients. The brewery is aiming for a family friendly environment with operating hours suitable for the area's residents and patrons.

RECOMMENDED ACTION: For the Mayor and City Council to approve the ordinance by adopting the text amendment, Microbreweries and Brew Pub Ordinance, to Chapter 8. Alcoholic Beverages to the city's code of ordinances.

Attachment: Chapter 8. Alcoholic Beverages. Article VIII. Microbreweries and Brew Pub Ordinance

Elizabeth Carr Hurst
Elizabeth Carr Hurst, Mayor

ARTICLE VIII. – MICROBREWERIES AND BREW PUBS

Sec. 8-212 – Definitions. The following definitions shall apply to this Article:

- (1) Barrel means 31 gallons.
- (2) Brewpub means any eating establishment in which beer or malt beverages are manufactured or brewed, subject to the barrel production limitation prescribed in O.C.G.A. Section §3-5-36, and its successors, for retail consumption on premises and solely in draft form. As used herein, the term eating establishment means an establishment which is licensed to sell distilled spirits, malt beverages, or wines and which derives at least fifty percent (50%) of its total annual gross food and beverage sales from the sale of prepared meals or food; provided however that when determining the total annual gross food and beverage sales, barrels of malt beverages sold to licensed wholesale dealers, or to the public for consumption off the premises, shall not be used.
- (3) Brewer means a manufacturer of malt beverages.
- (4) Brewery means a facility involved in the creation of malt beverages that produces fifteen thousand (15,000) barrels or more (or the equivalent) per year of malt beverages.
- (5) Manufacturer means any maker, producer, or bottler of an alcoholic beverage. The term also means:
 - (a) In the case of distilled spirits, any person engaged in distilling, rectifying, or blending any distilled spirits; provided, however, that a vintner that blends wine with distilled spirits to produce a fortified wine shall not be considered a manufacturer of distilled spirits;
 - (b) In the case of malt beverages, any brewer; and
 - (c) In the case of wine, any vintner.
- (6) Microbrewery means a facility involved in the creation of malt beverages that produces fewer than fifteen thousand (15,000) barrels per year, typically producing specialty beers and often selling its product only locally or regionally.

Sec. 8-213. - Provisions applicable to microbreweries only.

The following regulations shall apply to licensed microbrewery establishments:

- (1) No individual shall be permitted to own or operate a microbrewery without first obtaining a proper license from the City of Fairburn, Georgia, and each microbrewery license holder shall comply with all other applicable state and local license requirements.
- (2) A limited exception to the provisions of state law (O.C.G.A. § 3-5-24.1) providing a three-tier system for the distribution and sale of malt beverages shall exist to the extent that the license to manufacture malt beverages shall include the right of a microbrewery to sell up to three thousand (3,000) barrels of malt beverages per year produced at the microbrewer's licensed premises to individuals who are on such premises for:
 - (a) Consumption on the premises; and

Sec. 8-214. - Provisions applicable to brewpubs only.

- (1) In compliance with O.C.G.A. §3-5-36, a limited exception to the provisions of O.C.G.A. §3-5-29 through §3-5-32 providing a three-tier system for the distribution and sale of malt beverages shall exist for owners and operations of brewpubs, subject to the following terms and conditions:
 - (a) No individual shall be permitted to own or operate a brewpub without first obtaining a proper license from the state and City of Fairburn, Georgia, and each brewpub license holder shall comply with all applicable state and local license requirements.
 - (b) A brewpub license authorizes the holder of such license to:
 - (A) Manufacture on the licensed premises not more than ten thousand (10,000) barrels of malt beverages in a calendar year solely for retail sale; notwithstanding this provision, brewpub may sell up to a maximum of five thousand (5,000) barrels annually of such malt beverages to licensed wholesale dealers. Under no circumstances shall such malt beverages be sold by a brewpub licensee to any person holding a retail consumption dealer's license or a retailer's license for the purpose of resale
 - (B) Operate an eating establishment that shall be the sole retail outlet for such malt beverages;
 - (C) Operate an eating establishment that may offer for sale for consumption on the premises any other alcoholic beverages produced by other manufacturers which are authorized for retail sale under this title, including wine, distilled spirits, and malt beverages, provided that such alcoholic beverages are purchased from a licensed wholesaler; and, provided, further, that in addition to draft beer manufactured on the premises, each brewpub licensee shall offer for sale commercially available canned or bottled malt beverages from licensed wholesalers; and
- (2) Should a microbrewery licensee operating a brewpub offer for sale other alcoholic beverages produced by other manufacturers on the premises of the brewpub, the licensee shall also be required to obtain an on-premises consumption license.
- (3) Possession of a brewpub license shall not prevent the holder of such license from obtaining a retail consumption dealer's license or a retailer's license for the same premises, if permitted by state law and local regulations.
- (4) The holder of microbrewery licensee who is operating a brewpub shall not be entitled by virtue of said microbrewery license to sell alcoholic beverages by the package for consumption off the premises.
- (5) A microbrewery licensee operating a brewpub shall pay all state and local license fees and excise taxes applicable to individuals licensed as manufacturers, retailers and, where applicable, wholesale dealers.

Re: AMENDMENT TO CITY OF FAIRBURN CODE OF ORDINANCES

AN ORDINANCE TO AMEND CHAPTER 8 - ALCOHOLIC BEVERAGES - FOR THE PURPOSE OF ADDING THE NEW ARTICLE VIII. MICROBREWERIES AND BREW PUBS; TO PROVIDE FOR THE ESTABLISHMENT AND OPERATION OF MICROBREWERIES; TO PROVIDE FOR SEVERABILITY; TO REPEAL CONFLICTING ORDINANCES; TO PROVIDE AN EFFECTIVE DATE AND FOR OTHER PURPOSES

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF FAIRBURN, GEORGIA, AND IT IS HEREBY ORDAINED BY AUTHORITY OF THE SAME THAT:

Whereas, the duly elected governing authority of the City of Fairburn, Georgia (hereinafter the “City”) is the Mayor and City Council thereof; and

Whereas, it is within the police power of the Mayor and City Council of the City of Fairburn to adopt ordinances to promote the health, safety and welfare; and

Whereas, the Mayor and City Council of the City of Fairburn determine that the establishment and operation of microbreweries in certain locations in the City would be a desirable contribution to the community of the City of Fairburn; and

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and City Council of the City of Fairburn, Georgia, and it is hereby ordained by the authority of same that Chapter 8- Alcoholic Beverages be amended to add the new Article VIII. Microbreweries and Brew Pubs to the Fairburn Code of Ordinances as depicted in Exhibit A attached hereto:

Section 1. Adoption of the following attached as Exhibit A.

Section 2. In the event any section, subsection, sentence, clause, or phrase of this Ordinance shall be declared or adjudged invalid or unconstitutional, such adjudication shall in no manner affect the previously existing provisions of the other sections, subsections, sentences, clauses or phrases of this Ordinance, which shall remain in full force and effect as if the section, subsection, sentence, clause or phrase so declared or adjudicated invalid or unconstitutional were not originally a part thereof. The City Council declares that it would have passed the remaining parts of this Ordinance or retained the previously existing Ordinance if it had known that such part of parts hereof would be declared or adjudicated invalid or unconstitutional.

Section. 3. This Ordinance shall become effective on the 25th of November, 2019.

Section 4. All Ordinances and parts of Ordinances in conflict with this Ordinance are repealed to the extent of the conflict.

APPROVED this 25th day of November, 2019, by the Mayor and Council of the City of Fairburn, Georgia.

Elizabeth Carr-Hurst, Mayor

ATTEST:

Arika Birdsong-Miller, City Clerk

APPROVED AS TO FORM:

William R. (Randy) Turner, City Attorney



CITY OF FAIRBURN CITY COUNCIL AGENDA ITEM

SUBJECT: Text Amendment 20TA-002 - Chapter 8. Alcoholic Beverages. Article II. Licensing Ordinance

() AGREEMENT () POLICY / DISCUSSION () CONTRACT
(X) ORDINANCE () RESOLUTION () OTHER

Submitted: 11/19/19

Workshop: 11/25/19

Council Meeting: 11/25/19

DEPARTMENT: Community Development/Planning and Zoning Office

BUDGET IMPACT: None

PUBLIC HEARING: () Yes (X) No

PURPOSE: For the Mayor and Council to review the proposed text amendments to Chapter 8. Alcoholic Beverages. Article II. Licensing Ordinance.

DISCUSSION: Staff is proposing a Microbreweries and Brew Pub Ordinance [Chapter 8. Alcoholic Beverages. Article VIII. Microbreweries and Brew Pubs]. As a result of the proposed new ordinance, amendments are required in the licensing section of the code of ordinance. The proposed amendments include establishing a license fee for microbreweries and brew pubs [Section 8.40.-License required for sales]; clarifying the required documents that should be accompanied with the license application [Section 8-42.-Supporting Documents]; and the applicability of the ordinance for business establishments prior to the adoption of the ordinance [Section 8-48.-Location Restrictions.]. The stated text amendments will facilitate the licensing of microbreweries and brew pubs within the City of Fairburn.

RECOMMENDED ACTION: For the Mayor and City Council to approve the ordinance by adopting text amendments to Chapter 8. Alcoholic Beverages. Article II. Licensing to the city's code of ordinances.

Attachments: Chapter 8. Alcoholic Beverages. Article II. Licensing Ordinance – Mark-up and Final Version

Elizabeth Carr Hurst, Mayor

Mark-Up

Article II. - LICENSING.

Sec. 8-40. - License required for sales.

- (a) Licenses for the sale of alcoholic beverages shall be issued by the city administrator upon payment of an annual license fee as established by the city council.

| <i>Type of License</i> | <i>Fee</i> |
|--|-------------------|
| Retail package license for distilled spirits | \$5,000.00 |
| Retail package license for malt beverage and wine | 1,000.00 |
| Retail consumption license for distilled spirits, malt beverage and wine | 2,500.00 |
| Retail consumption license for malt beverage and wine only | 1,500.00 |
| Wholesale dealer of distilled spirits | 500.00 |
| Wholesale dealer of malt beverage | 500.00 |
| Wholesale dealer of wine | 500.00 |
| Microbrewery/Brew Pub | \$1,600.00 |

- (b) All licenses issued herein shall constitute a mere grant of a privilege to carry on such business during the term of the license subject to all the terms and conditions imposed by this chapter, the Charter, related ordinances of this Code, and the constitution, laws and regulations of the state and the United States of America applicable to such business.
- (c) All licenses issued under this chapter shall have printed on the face the following words:
"THIS LICENSE IS A PRIVILEGE AND IS SUBJECT TO BEING REVOKED AND ANNULLED BY THE CITY COUNCIL OF THE CITY AND IS SUBJECT TO LAWS, ORDINANCES AND REGULATIONS HEREAFTER ADOPTED."
- (d) Both the licensee or license representative shall be the authorized and duly constituted agent for service of all notices and processes required to be served on or given hereunder for any action or proceeding or uses of any nature whatsoever permitted under the provisions of this chapter or under any other provisions of this Code.

(Ord. No. 2003-13, § I(3-21), 9-9-2003)

- (3) Distilled spirits, wine or malt beverages within 100 yards of any alcoholic treatment center owned and operated by the state, the county, or the city.
- (b) Schools applicable. The schools or colleges referred to herein shall include only such state, county, city, church or other schools as teach the subjects commonly taught in the common schools and colleges of this state and shall not include private schools or colleges wherein only specialized subjects, such as law, stenography, business, music, art, medicine, dentistry, vocational occupations and other special subjects are taught.
 - (c) Church applicable. Church referred to herein shall include only such churches which maintain a permanent place of public religious worship and include only those church-owned properties upon which such activities take place.
 - (d) Method of measuring. The distances set out in subsections (a)(1), (2), and (3) of this section shall be measured from the closest point of the licensed premises to the nearest property line of the church, school, college campus, library or treatment center measured by the most direct route of travel on the ground.
 - (e) No license shall be issued to any distilled spirits retail dealer where the place of business of the licensee is located within 500 feet of an establishment previously approved for the retail sale of distilled spirits.
 - (f) The provisions of this section shall not apply to those business establishments holding a valid retail package license for the sale of alcoholic beverages on the date of adoption of the ordinance from which this chapter is derived, provided that such license remains current and does not become and remain inactive for a period exceeding 12 months from the date last issued.
 - (g) The provisions of this section shall not apply to those business establishments holding a valid pouring or on-premises consumption license for the sale of malt beverages and/or wine on the date of adoption of the ordinance from which this chapter is derived; provided that such license remains current and does not become and remain inactive for a period exceeding 12 months from the date last issued. The provisions of this section shall apply to such business establishments seeking a license to sell distilled spirits by the drink for consumption on the premises only.
 - (h) **The provisions of this section shall not apply to those business establishments holding a valid microbrewery or brewpub on the date of adoption of the ordinance from which this chapter is derived; provided that such license remains current and does not become and remain inactive for a period exceeding 12 months from the date last issued.**

(Ord. No. 2003-13, § I(3-29), 9-9-2003)

Article II. - LICENSING.

Sec. 8-40. - License required for sales.

- (a) Licenses for the sale of alcoholic beverages shall be issued by the city administrator upon payment of an annual license fee as established by the city council.

| <i>Type of License</i> | <i>Fee</i> |
|--|------------|
| Retail package license for distilled spirits | \$5,000.00 |
| Retail package license for malt beverage and wine | 1,000.00 |
| Retail consumption license for distilled spirits, malt beverage and wine | 2,500.00 |
| Retail consumption license for malt beverage and wine only | 1,500.00 |
| Wholesale dealer of distilled spirits | 500.00 |
| Wholesale dealer of malt beverage | 500.00 |
| Wholesale dealer of wine | 500.00 |
| Microbrewery/Brew Pub | \$1,600.00 |

- (b) All licenses issued herein shall constitute a mere grant of a privilege to carry on such business during the term of the license subject to all the terms and conditions imposed by this chapter, the Charter, related ordinances of this Code, and the constitution, laws and regulations of the state and the United States of America applicable to such business.

- (c) All licenses issued under this chapter shall have printed on the face the following words:

"THIS LICENSE IS A PRIVILEGE AND IS SUBJECT TO BEING REVOKED AND ANNULLED BY THE CITY COUNCIL OF THE CITY AND IS SUBJECT TO LAWS, ORDINANCES AND REGULATIONS HEREAFTER ADOPTED."

- (d) Both the licensee or license representative shall be the authorized and duly constituted agent for service of all notices and processes required to be served on or given hereunder for any action or proceeding or uses of any nature whatsoever permitted under the provisions of this chapter or under any other provisions of this Code.

(Ord. No. 2003-13, § I(3-21), 9-9-2003)

- (b) Schools applicable. The schools or colleges referred to herein shall include only such state, county, city, church or other schools as teach the subjects commonly taught in the common schools and colleges of this state and shall not include private schools or colleges wherein only specialized subjects, such as law, stenography, business, music, art, medicine, dentistry, vocational occupations and other special subjects are taught.
- (c) Church applicable. Church referred to herein shall include only such churches which maintain a permanent place of public religious worship and include only those church-owned properties upon which such activities take place.
- (d) Method of measuring. The distances set out in subsections (a)(1), (2), and (3) of this section shall be measured from the closest point of the licensed premises to the nearest property line of the church, school, college campus, library or treatment center measured by the most direct route of travel on the ground.
- (e) No license shall be issued to any distilled spirits retail dealer where the place of business of the licensee is located within 500 feet of an establishment previously approved for the retail sale of distilled spirits.
- (f) The provisions of this section shall not apply to those business establishments holding a valid retail package license for the sale of alcoholic beverages on the date of adoption of the ordinance from which this chapter is derived, provided that such license remains current and does not become and remain inactive for a period exceeding 12 months from the date last issued.
- (g) The provisions of this section shall not apply to those business establishments holding a valid pouring or on-premises consumption license for the sale of malt beverages and/or wine on the date of adoption of the ordinance from which this chapter is derived; provided that such license remains current and does not become and remain inactive for a period exceeding 12 months from the date last issued. The provisions of this section shall apply to such business establishments seeking a license to sell distilled spirits by the drink for consumption on the premises only.
- (h) The provisions of this section shall not apply to those business establishments holding a valid microbrewery or brewpub on the date of adoption of the ordinance from which this chapter is derived; provided that such license remains current and does not become and remain inactive for a period exceeding 12 months from the date last issued.

(Ord. No. 2003-13, § I(3-29), 9-9-2003)

Re: AMENDMENT TO CITY OF FAIRBURN CODE OF ORDINANCES

AN ORDINANCE TO AMEND CHAPTER 8 - ALCOHOLIC BEVERAGES, ARTICLE II- LICENSING, SECTION 8-40. - LICENSE REQUIRED FOR SALES, SECTION 8-42.- SUPPORTING DOCUMENTS TO BE FILED WITH APPLICATION, SECTION 8-48. – LOCATION RESTRICTIONS; TO PROVIDE FOR SEVERABILITY; TO REPEAL CONFLICTING ORDINANCES; TO PROVIDE AN EFFECTIVE DATE AND FOR OTHER PURPOSES

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF FAIRBURN, GEORGIA, AND IT IS HEREBY ORDAINED BY AUTHORITY OF THE SAME THAT:

Whereas, the duly elected governing authority of the City of Fairburn, Georgia is the Mayor and City Council thereof; and

Whereas, it is within the police power of the Mayor and City Council of the City of Fairburn to adopt ordinances to promote the health, safety and welfare; and

Whereas, the Mayor and City Council of the City of Fairburn determine that the establishment and operation of microbreweries within the City of Fairburn require the establishment of license fees; the clarification of required documents that should be accompanied with the license application for microbreweries and brew pubs and the applicability of the location restriction requirements for microbreweries and brew pubs.

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and City Council of the City of Fairburn, Georgia, and it is hereby ordained by the authority of same that Chapter 8- Alcoholic Beverages, Article II – Licensing, Section 8-40. – License Required for Sales, Section 8-42. – Supporting Documents to be Filed with Application and Section 8-48. – Location Restrictions of the Fairburn Code of Ordinances be amended as depicted in Exhibit A attached hereto:

Section 1. Adoption of the following attached as Exhibit A.

Section 2. In the event any section, subsection, sentence, clause, or phrase of this Ordinance shall be declared or adjudged invalid or unconstitutional, such adjudication shall in no manner affect the previously existing provisions of the other sections, subsections, sentences, clauses or phrases of this Ordinance, which shall remain in full force and effect as if the section, subsection, sentence, clause or phrase so declared or adjudicated invalid or unconstitutional were not originally a part thereof. The City Council declares that it would have passed the remaining parts of this Ordinance or retained the previously existing Ordinance if it had known that such part of parts hereof would be declared or adjudicated invalid or unconstitutional.

Section. 3. This Ordinance shall become effective on the 25th of November, 2019.

Section 4. All Ordinances and parts of Ordinances in conflict with this Ordinance are repealed to the extent of the conflict.

APPROVED this 25th day of November, 2019, by the Mayor and Council of the City of Fairburn, Georgia.

Elizabeth Carr-Hurst, Mayor

ATTEST:

Arika Birdsong-Miller, City Clerk

APPROVED AS TO FORM:

William R. (Randy) Turner, City Attorney



CITY OF FAIRBURN CITY COUNCIL AGENDA ITEM

SUBJECT: Amendments to the Fee Schedule

() AGREEMENT () POLICY / DISCUSSION () CONTRACT
() ORDINANCE (X) RESOLUTION () OTHER

Submitted: 11/19/19

Workshop: 11/25/19

Council Meeting: 11/25/19

DEPARTMENT: Community Development/Planning and Zoning Office

BUDGET IMPACT: None

PURPOSE: For the Mayor and Council to amend, by resolution, the city's Fee Schedule.

DISCUSSION: The City maintains a schedule of fees for permits, licenses, and municipal charges. According to Section 1-14.-Fee schedule, fees established by resolution, when the amount of fees change or new fee are imposed, the City Council shall establish by resolution the fee schedule.

Staff is requesting the following amendments to the Fee Schedule:

1. The Microbreweries and Brew Pub Ordinance will require applicants to apply for an annual microbreweries and brew pub license in the amount of **\$1,600.**
2. The Community Development Staff is responsible for performing site inspection upon completion of each construction project. Currently, the Community Development Department does not charge for site inspections. Staff is requesting to impose an inspection fee of **\$300** for each occurrence after the first inspection. There is no charge for the first site inspection.

RECOMMENDED ACTION: For the Mayor and City Council to approve amendments to the Fee Schedule.



Elizabeth Carr Hurst, Mayor

1 STATE OF GEORGIA

2
3 COUNTY OF FULTON

4
5 **A RESOLUTION TO AMEND THE CITY'S SCHEDULE OF FEES IN ORDER TO**
6 **ADD TWO NEW FEES INCLUDING A LICENSE FEE FOR MICROBREWERY**
7 **AND BREW PUB LICENSES ISSUED BY THE CITY OF FAIRBURN AND A SITE**
8 **INSPECTION FEE FOR EACH SITE INSPECTION CONDUCTED AFTER THE**
9 **FIRST SITE INSPECTION PERFORMED UPON COMPLETION OF A**
10 **CONSTRUCTION PROJECT; TO PROVIDE AN EFFECTIVE DATE AND FOR**
11 **OTHER PURPOSES**

12
13 **WHEREAS**, the Mayor and City Council have adopted certain rules, requirements and regulations
14 in the City of Fairburn, Georgia, in order to promote the health, safety, and welfare of the citizens
15 of the City of Fairburn; and

16
17 **WHEREAS**, it is incumbent that the City impose certain fees to cover expenses associated with
18 the review, inspection, advertisement and other costs incurred by the City; and

19
20 **WHEREAS**, Section 1-14 of the City of Fairburn Code of Ordinances, provides that the City
21 maintains a Schedule of Fees for permits, licenses and other municipal charges. The amount of
22 fees or charges imposed by the City, including, but not limited to, those encompassed in the City's
23 fee schedule, shall be established by resolution of the City Council from time to time, as the
24 Council deems necessary; and

25
26 **WHEREAS**, the Mayor and City Council approved the Microbreweries and Brew Pubs ordinance,
27 which requires an annual license for the operation of microbreweries and brew pub establishments
28 within the City of Fairburn; and

29
30 **WHEREAS**, the Mayor and City Council recognize that the Community Development Staff is
31 responsible for and performs site inspections after the completion of each construction project
32 within the City of Fairburn and that each inspection subsequent to the first inspection costs the
33 City in employee time and expenses; and

34
35 **WHEREAS**, the Mayor and City Council find it necessary to establish an annual \$1,600.00 license
36 fee for microbreweries and brew pubs; and

37
38 **WHEREAS**, the Mayor and City Council find it necessary to establish an inspection fee of
39 \$300.00 for each site inspection after the first site inspection.

40
41 **NOW THEREFORE, IT IS HEREBY RESOLVED**, pursuant to Section 1-14 of the City of
42 Fairburn Code of Ordinances, that the Mayor and City Council deem it necessary to add a new
43 annual license fee, in the amount of one thousand six hundred dollars (\$1,600.00), to the City's
44 Schedule of Fees for microbreweries and brew pub licenses and three hundred dollars (\$300.00)
45 for each site inspection conducted after the first site inspection performed upon completion of a
46 construction project.

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BE IT FURTHER RESOLVED, that all other documents, fees that are in conflict with anything contained herein are hereby repealed.

This resolution shall be effective upon adoption.

This _____ day of _____, 2019.

CITY OF FAIRBURN, GEORGIA

Elizabeth Carr-Hurst, Mayor

APPROVED AS TO FORM:

ATTEST:

William R. Turner, City Attorney

Arika Birdsong- Miller, City Clerk



CITY OF FAIRBURN
CITY COUNCIL AGENDA ITEM

SUBJECT: PURCHASE OF JAWS OF LIFE EXTRICATION TOOLS

AGREEMENT POLICY / DISCUSSION CONTRACT
 ORDINANCE RESOLUTION OTHER

Submitted: 11/15/2019 Work Session: 11/25/2019 Council Meeting: 11/25/2019

DEPARTMENT: Fire

BUDGET IMPACT: \$30,000.00 from budget line item 100-3500-54-2500 Other Equipment

PUBLIC HEARING? Yes No

PURPOSE: Approve the sole source purchase of Hurst Jaws of Life Extrication Tools included in the Fire Department's FY 19-20 budget.

HISTORY: The Fire Department initially purchased 3 sets of Jaws of Life extrication tools, one for each front-line engine, 21 & 22 and a set for Truck 21. One set has been previously replaced.

FACTS AND ISSUES: The Fire Department has 3 sets of extrication tools, two of which are out dated and have reached the end of their service life. This unit will be the second to be replaced. These tools serve the purpose of assisting in extricating people from vehicles after a collision. With increasing call volume from the Interstate 85 corridor, it is imperative to equip more than one apparatus with this rescue tool, to ensure that the appropriate tools are available for an adequate response when people may be suffering life threatening injuries. Municipal Emergency Services is the sole vendor in the Southeast region that is licensed to sell Hurst tools.

RECOMMENDED ACTION: It is recommended that Mayor and Council approve the purchase of the Jaws of Life Extrication Tools for the Fairburn Fire Department.


Elizabeth Carr-Hurst, Mayor



6701-C Northpark Blvd
Charlotte, NC 28216

Quote

Date 09/10/2019
 Quote # QT1295660
 Expires 11/29/2019
 Sales Rep Adams, Jeremy L
 PO #
 Shipping Method FedEx Ground

Bill To
 FAIRBURN FIRE DEPT
 56 MALONE STREET
 Fairburn GA 30213

Ship To
 FAIRBURN FIRE DEPT
 56 MALONE STREET
 Fairburn GA 30213

| Item | Alt Item # | Units | Description | QTY | Unit Sales Pri... | Amount |
|-----------|------------|-------|--|-----|-------------------|-----------|
| 272799000 | | | S 799E2 Cutter Package (includes S 799E2 Cutter, charger, and 2 EXL batteries) | 1 | 10,723.74 | 10,723.74 |
| 271555000 | | | SP 555E2 Spreader Package w/ charger and 2 EXL batteries | 1 | 10,841.86 | 10,841.86 |
| 274085000 | | | Hurst R421E2 w/EXL Batts&Chrg | 1 | 7,589.71 | 7,589.71 |
| 272085412 | | | Hurst 110v E2 Pwr Supply w/Plg | 1 | 644.69 | 644.69 |

Subtotal 29,800.00
 Shipping Cost (FedEx Ground) 200.00
Total \$30,000.00

Includes End User Training and Warranty Registration.

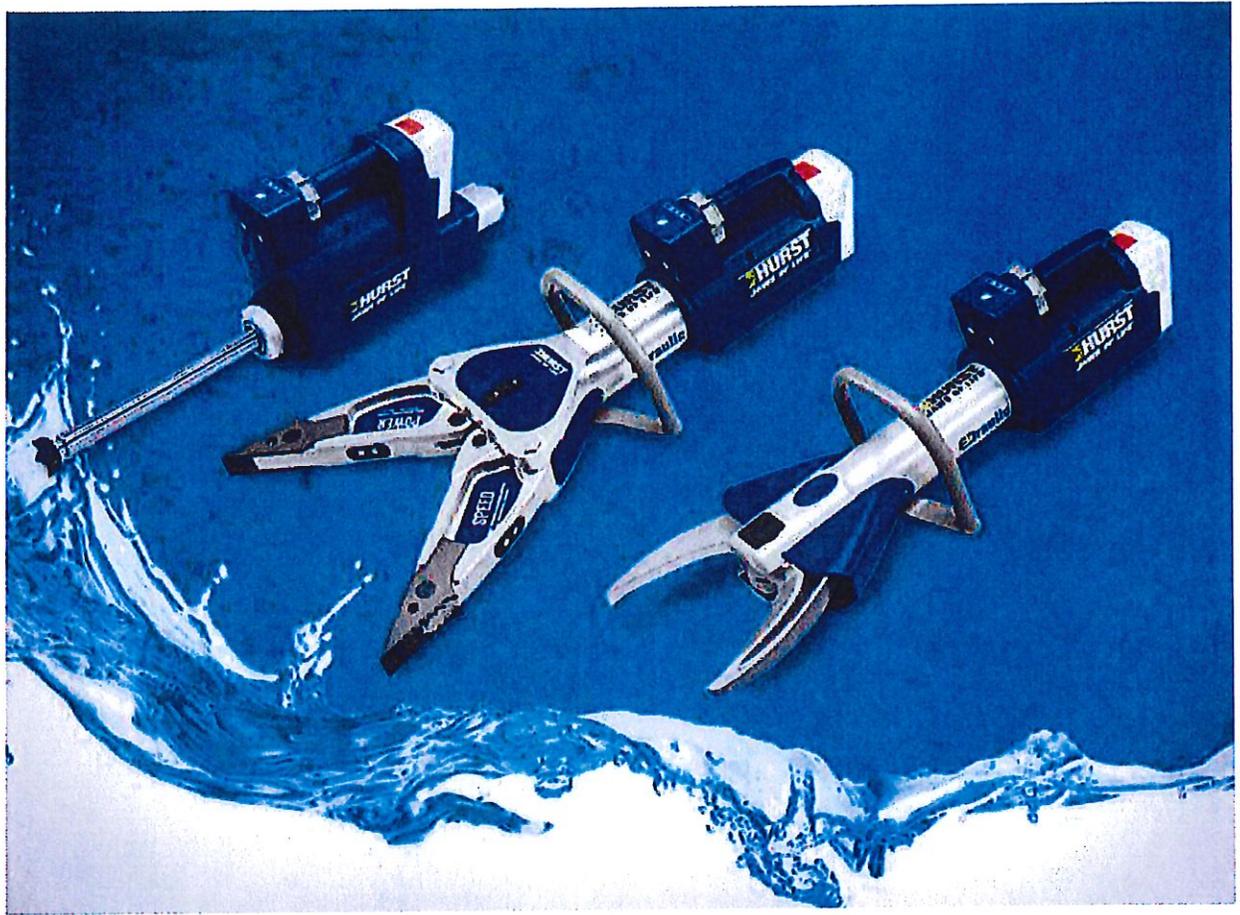
This Quotation is subject to any applicable sales tax and shipping & handling charges that may apply. Tax and shipping charges are considered estimated and will be recalculated at the time of shipment to ensure they take into account the most current local tax information.

All returns must be processed within 30 days of receipt and require a return authorization number and are subject to a restocking fee.

Custom orders are not returnable. Effective tax rate will be applicable at the time of invoice.



QT1295660





CITY OF FAIRBURN

CITY COUNCIL AGENDA ITEM

SUBJECT: PURCHASE OF SELF-CONTAINED BREATHING APPARATUS

AGREEMENT POLICY / DISCUSSION CONTRACT
 ORDINANCE RESOLUTION OTHER

Submitted: 11/15/2019 Work Session: 11/25/2019 Council Meeting: 11/25/2019

DEPARTMENT: Fire

BUDGET IMPACT: \$50,164.92 from budget line item 100-3500-54-2500 Other Equipment

PUBLIC HEARING? Yes No

PURPOSE: Approve the sole source purchase of 7 Self-Contained Breathing Apparatus (SCBAs). 11 Snap-change cylinders and 4 face masks included in the Fire Department's FY 19-20 budget.

HISTORY: Self-Contained Breathing Apparatus are essential equipment in fire suppression. The current units are 13 years old, the same age as the department. Their maximum service life is 15 years. In recent years, additional bottles were purchased for the units in an attempt to extend the life of the SCBA, those bottles have since expired.

FACTS AND ISSUES: The new generation air packs that are the latest NFPA standard, have improved safety features, such as a high temperature face mask, a low air alarm at 33% and universal PASS alarm sounds. This will ensure our fire fighters have the most up to date equipment when preventing loss while fighting fires. There is a total of 25 air packs that need to be replaced, this is the first phase for replacement. The remaining units will be requested in the FY 20-21 budget or obtained using grant funds. Municipal Emergency Services is the sole vendor in the Southeast licensed to sell Scott (manufacturer of current SCBAs) equipment.

RECOMMENDED ACTION: It is recommended that Mayor and Council approve the purchase of the Self-Contained Breathing Apparatus for the Fairburn Fire Department.


Elizabeth Carr-Hurst, Mayor



6701-C Northpark Blvd
Charlotte, NC 28216

Quote

Date 10/18/2019
 Quote # QT1306002
 Expires 12/30/2019
 Sales Rep Adams, Jeremy L
 PO #
 Shipping Method FedEx Ground

Bill To
 FAIRBURN FIRE DEPT
 56 MALONE STREET
 Fairburn GA 30213

Ship To
 FAIRBURN FIRE DEPT
 56 MALONE STREET
 Fairburn GA 30213

| Item | Alt. Item # | Units | Description | QTY | Unit Sales Pri... | Amount |
|----------------|-------------|-------|---|-----|-------------------|-----------|
| X8914021305304 | | | Air-Pak X3 Pro SCBA (2018 Edition) with Snap-Change Cylinder Connection, 4.5, Standard Harness with Parachute Buckles, Standard Belt with No Escape Rope, E-Z Flo Regulator with Standard Hose, Universal EBSS Accessory Hose, No Airline Connection, No Spare Harness Kit, Pak-Tracker, No Case, Packaged 2 SCBA Per Box (Black) | 7 | 5,523.50 | 38,664.50 |
| 200129-01 | | | Snap-Change Cylinder, Carbon-Wrapped, Pressure 4500, 45 Minutes (at 40 lpm) | 11 | 1,002.22 | 11,024.42 |
| BlastMask-110 | | | BlastMask-110 - Second Generation (Fits Scott AV-2000 and AV-3000) | 4 | 119.00 | 476.00 |

Subtotal 50,164.92
Shipping Cost (FedEx Ground) 0.00
Total \$50,164.92

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QT1306002

Air-Pak X3 Pro SCBA

< SCBA



Overview

The Air-Pak™ X3 Pro SCBA is built on a foundation of redundant safety features, providing unparalleled performance to protect the family of firefighters who expect the best in the most demanding conditions, with a focus on enhancing *cleanability, comfort, and connectivity* to ensure the security and comfort of today's firefighter.

Designed for future compatibility, the Air-Pak X3 Pro SCBA meets the latest NFPA 1981/1982, 2018 Edition performance requirements.

With the new *As Long As You Own It Air-Pak SCBA Warranty*, customers will have peace of mind knowing that their most important investment is backed for the lifetime ownership of the product.

[Request a trial.](#)

CLEANABILITY

New Harness Materials offer greater resistance to chemical exposure and less water absorption to help minimize contamination.

Easy-to-Remove Harness allows for cleaning and decontamination to help with exposure reduction.

COMFORT

New Shoulder Harness Design improves the ease of donning and minimizes pressure points to help reduce user fatigue and improve comfort.

Natural Articulation of the waist pad promotes a greater range of motion to the user while transferring weight to the hips for a more balanced load.

New Buckle Design provides firm hold to prevent inadvertent loosening of shoulder and

waist straps to help provide a secure fit of SCBA on the firefighter.

Proven Regulator Design offers low breathing resistance to help reduce user burden and improve operational efficiencies.

Redundant Safety Features afford firefighters peace of mind knowing that the SCBA will perform in the toughest environments.

3M™ Scotchlite™ Reflective Material enhances the visibility of the SCBA when operating in low light conditions, improving safety and accountability on the fireground.

CONNECTIVITY

Offering enhanced electronics with Bluetooth® technology, the Air-Pak X3 Pro SCBA supports wireless connectivity between devices for improved configurability, data transmission/retrieval, firefighter safety and fireground accountability.

Electronic PAR (ePAR) provides wireless, bi-directional communication between the firefighter and incident command (using Scott Connect Monitor Pro) to help improve fireground accountability and communications.

System Integrity Alarm provides visual and audible alerts to notify SCBA wearer and incident command (using Scott Connect Monitor Pro) of impending electronics degradation due to elevated temperature.

High Flow Alarm provides visual and audible alerts (using Scott Connect Monitor) to notify incident command of a high flow condition from a firefighter's SCBA during a full-alarm PASS activation (i.e. heavy breathing, free flow, etc.).

No Flow Alarm provides visual and audible alerts (using Scott Connect Monitor) to notify incident command of a no flow condition from a firefighter's SCBA during a full-alarm PASS activation.

Integrated RFID tags provide local storage of SCBA information that can be wirelessly interrogated for asset tracking.



General Service Administration (GSA) Approved Product



Made in the United States of America



As Long As You Own It Warranty

AV-3000 HT Facepiece
◀ FULL FACEPIECE

