

was the understanding of Administrative Assistant/Deputy Clerk Toole that all paperwork for all the Rhonda's locations had been cleared up, but later it was determined that this application was not renewed.) County Manager Poe noted that at the end of the list are the ones which are not being renewed. He stated that Food Lion had been given a 60-day continuance based on a letter submitted to them related to a situation with the manager holding the license being a county resident or not. He stated that there had been a situation regarding Rhonda's #9, but apparently that has been taken care of and should be added to the renewal list. County Manager Poe recommended approval of the Malt Beverage License Renewals as submitted including Rhonda's #9. *(See italicized note above.)* MOTION was made by Commissioner Hufstetler to accept the Manager's recommendation. SECOND by Commissioner Mahanay.

YES

NO

Commissioner Hufstetler
" Jennings
" Mahanay
" Mayes
Chairman Fricks

Motion Carried

2003 SELF-SERVICE FUEL LICENSE RENEWALS.

County Manager Kevin Poe stated that all on the list were in order, with the exception of Cagle's Stop N Shop which is contingent on a State Permit, but recommended approval of the list as submitted with the

stipulation that Cagle's Stop N Shop is contingent on them receiving the State Permit. MOTION was made by Commissioner Hufstetler to accept the 2003 Self-Service Fuel Licenses contingent on Cagle's receiving their State Permit. SECOND by Commissioner Mayes. VOTING:

YES

NO

Commissioner Hufstetler
" Jennings
" Mahanay
" Mayes
Chairman Fricks

Motion Carried

2003 PRECIOUS METALS LICENSE

RENEWALS.

County Manager Kevin Poe recommended approval of the list for 2003 Precious Metals License Renewals as submitted. MOTION was made by Commissioner Hufstetler for approval of the 2003 Precious Metals Licenses. SECOND by Commissioner Mahanay. VOTING:

	YES	NO
Commissioner Hufstetler		
" Jennings		
" Mahanay		
" Mayes		
Chairman Fricks		

Motion Carried

APPROVE DCA SHORT TERM WORK PROGRAM UPDATE: FY2003-2007 TO THE JOINT COMPREHENSIVE SOLID WASTE MANAGEMENT PLAN FOR FLOYD COUNTY, CITY OF ROME AND CITY OF CAVE SPRING.

County Manager Kevin Poe stated that they had been going through the process of getting the Short Term Work Program Update for the Joint Comprehensive Solid Waste Management Plan for Floyd County, City of Rome and City of Cave Spring. This has gone through a review process and now it has returned for approval of a Resolution. The Resolution basically adopts the Short Term Work Program Solid Waste Management Plan and has been approved by the appropriate agencies. He recommended approval of the Resolution as submitted. MOTION was made by Commissioner Mayes to approve the Manager's recommendation. SECOND by Commissioner Hufstetler. VOTING:

	YES	NO
Commissioner Hufstetler		
" Jennings		
" Mahanay		
" Mayes		
Chairman Fricks		

Motion Carried

REQUEST FROM UNITED WAY.

County Manager Kevin Poe presented a request from the United Way for the County to help fund the position to allow them to do a community needs assessment

process. They have put together a program to try to assess the needs of the community and they hope to do a cooperative effort with each of the schools helping them do some of the surveys and statistical work and analysis. They are trying to obtain funding from both the City and County in the amount of \$10,000. They want to have one paid position, one person that would head the program. They will use a program called "COMPASS 2.0, the Community Needs Assessment Process" that has been tried and proven in other communities. He stated that the recommendation is for the County to put in \$10,000 to help fund the Process Manager's Position. They would like to start on this process as soon as possible. Chairman Fricks stated that he and County Manager Poe had met with them and had been given information regarding the request. He noted that it will probably follow every census, every ten years and will somewhat need to be updated. He thinks they will provide the County with copies of the information and will hopefully benefit us in the future to help determine funding on some of the interagencies. It was noted that they hope to complete the project within one year, but at the latest, 18 months. MOTION was made by Commissioner Mahanay to approve the request from United Way regarding the funding of the Floyd County Government to fund the Process Manager's Position for the Community Needs Assessment. SECOND by Commissioner Hufstetler. Chairman Fricks asked if this would be from the 2002 Budget. County Manager Poe stated that he would recommend that it be taken from the 2002 Budget. Commissioner Mahanay amended his Motion to add that it be taken from the 2002 Budget. VOTING:

YES

NO

Commissioner Hufstetler

" Jennings

" Mahanay

" Mayes

Chairman Fricks

Motion Carried

**AUTHORIZE EXECUTION OF
EXTENSION FOR LOCK AND DAM
TEA GRANT. (P.I. #670820).**

County Manager Kevin Poe stated that we have a Transportation Enhancement Grant for the Lock and Dam and timeframes have been placed on the money being available for the project for the restoration of the Lock and Dam. This would extend the date to June 30, 2004 for the County to use the Federal funds. He recommended approval of Supplemental Agreement Number 1 to our agreement with the Department of Transportation related to Federal funding for the Lock and Dam Project. MOTION was made by Commissioner Hufstetler to authorize the execution of the Extension for the Lock and Dam TEA Grant. SECOND by Commissioner Mahanay. VOTING:

YES

NO

Commissioner Hufstetler
" Jennings
" Mahanay
" Mayes
Chairman Fricks

Motion Carried

PARKING DISCUSSION.

MOTION was made by Commissioner Jennings to place on the Agenda the Parking Discussion.

SECOND by Commissioner Mayes. VOTING:

YES

NO

Commissioner Hufstetler
" Jennings
" Mahanay
" Mayes
Chairman Fricks

Motion Carried

Chairman Fricks stated that the item is now on the Agenda. Commissioner Jennings stated as the person who sat in on the negotiations with Earl Patton and John Cheek, he was concerned when he heard from Chairman Fricks yesterday that there was some change in the lease proposal which had been received from Earl Patton. Number one being that he wanted to move the payment schedule to 24 years. Commissioner Jennings stated that he heard him agree to a 22-year payment schedule. He was also concerned that he wanted to maintain the 15% ownership in the Parking Deck. He heard him say that he was going to give up the 15% ownership in the Parking Deck. He was concerned when he heard that he would get a 20-year tax abatement for the project, and at no time in the process has he raised that issue, we have consistently said that we do not provide tax abatements for projects of this nature. It is true that we have a five-year graduated tax payment, and he thought they have agreed to that in the past. Commissioner Hufstetler commented that had been agreed to in 1998 by the previous Commission and they have continued that. Commissioner Jennings stated that his thought is that we make a Motion to authorize the Chairman to sign the Lease Agreement that is a 22-year payment schedule that provides for 100% ownership of the Parking Deck for the City of Rome and Floyd County, and that adheres to the property tax schedule that was agreed to back in 1998 and that this be signed by 12 noon today. And, if is not signed by 12 noon today, then this deal is over. Commissioner Hufstetler stated the he also has problems with is that when the ownership was changed, it now gives him parking that would be, say 50 years from now, a guarantee of just slightly over \$2.00 a day for parking space to infinity.

Commissioner Jennings stated that as he understands it, in the lease, the parking, after the 22-year period, is, and Commissioner Hufstetler injected “25% below market rate or \$50,000, whichever is less”. Commissioner Hufstetler stated that using the \$50,000 amount it is slightly over \$2.00 per day guaranteed parking when rates 50 years from now may be much higher. Commissioner Hufstetler stated that also now, the agreement is not with Sony, but with Sony Rome Associates, which is an LLC, Limited Liability Corporation, and obviously a shell corporation. He stated that we do not know anything about their assets. We had been given information on Interstate, but had never received information on Sony. In that case, who would guarantee the payments? There is a potential of \$5.9 million liability on the City and County, with no guarantee of payment from anybody. Commissioner Hufstetler stated that if a Motion was made, he would like to make some contingencies that they provide us with acceptable guarantees on who will be making the payments and he asked County Attorney Wade Hoyt for suggestions. Commissioner Hufstetler stated that there are some real holes in this where they could basically just, even if they agree to that, they could walk off and leave us with a shell corporation that we would have no assets to go after. Commissioner Jennings asked County Attorney Hoyt, if that occurred, what would be our...*(statement was not completed)* County Attorney Hoyt replied that they would have to get a guarantee by the major company, which would be Sony Associates, and he does not know how quick that would happen. It had taken a good while to get the documents from Interstate. If you determine that Sony Rome Associates is a shell corporation and cannot present you with any documentation, you will have to go back the major Sony group and get them to guarantee the lease. Commissioner Hufstetler stated that even so, they have not been given financials from Sony, which they had told us they would give us. County Attorney Hoyt stated that he did not know how long this would take. Commissioner Hufstetler stated, contingent on them having acceptable assets to guarantee the payments. Commissioner Jennings stated that he feels they need to call the question today.

Commissioner Hufstetler stated that it had been brought out that on the hotel land itself, say they default on the payments, then we will have lost that land, we are supposed to get \$260,000 for the land, we would then be a second mortgage. So, not only would we not get the payments, but we would not even get paid for that land. If someone came in and took over that, they would have first mortgage per the bond documents and we would not even get the \$260,000 in payments. Commissioner Jennings stated that there is some risk involved in this. Commissioner Hufstetler stated that they have promised us guarantees and have not given them to us. Commissioner Mahanay stated that we have repeatedly asked for financial information in support and he does not understand why that is a difficulty. Commissioner Mayes stated that he is uncomfortable with the deal now.

Chairman Fricks asked Mayor Ronnie Wallace and City Manager John Bennett if they had any comments since they have been in on the discussions. City Manager Bennett stated that what the City approved Monday night was the payment schedule that he thinks Commissioner Jennings is proposing, the 22-year pay plan. They did not approve the lease because they did not receive it until Monday and he was out of town so he did not actually have it until the Commission Meeting. It was approved subject to the City and County attorneys approving the lease. They have had conversations with County Attorney Hoyt regarding the lease and the need to change the lease. The lease,

keep in mind that the only commitment that the City has to this particular lease, which is the land lease on the hotel property, is their commitment on what they would be paying in the parking deck. So, the lease is between the Development Authority, the County and the Hotel. But, it does obligate the City because part of the lease is their obligation to make their payments on the parking deck. City Manager Bennett stated that the City was satisfied with the changes that are being proposed seem to be in line with what they had discussed over the last few months.

Mayor Wallace stated that this has been tiring for all of them. He stated that he and Chairman Fricks had been in on all of the meetings and thought they had accomplished a great deal. They felt pretty good that a date had been established for groundbreaking because heretofore it has been everyone's agreement that the only way to get anything done was to have a deadline. The payment schedule that they approved was just that, they do not feel like, although they understand the revenue generated by the lease, they do not really have an interest in it at the City. As to the parking price mentioned by Commissioner Hufstetler, he is correct. However, if you look at the payment schedule of what the developers are paying in terms of cost overruns, plus the rent and even including what they are paying for the land cost, they are paying approximately \$120,000 yearly for a 22 year period and they will get beneficially the lot and 61 spaces. That is quite a lot of money to pay for that and he understands part of that is the overruns that they have to pay because of contractual commitments. It was thought that the \$50,000 minimum or 75% of market would be there after the debt service had been paid where we were at the point were we simply had to service the operation as opposed to the debt. His only concern at this point is that the City or County Commission would not ever sign something without our attorneys reviewing it. It has been prudent for them to do that and if the Commissioners vote to do this today and give them until noon to sign this, without their attorney's review, that is not likely to occur. If the Commissioners do vote to approve it and approve the terms and conditions that the County Attorney recommends to be part of it and the county adopts the language of the contract and then place it into their venue for them to see if they are going to agree to it, then the ball is in their court to make that decision as opposed to simply saying that if you don't do it by noon. He stated that he was saying this as a citizen.

County Manager Poe stated that he had verbally been told that it would not be approved. City Manager Bennett mentioned to let them (*Songy*) make the call since they are not under a time frame, but have pretty well told everybody that because of Atlanta Gas Light they have all been operating on the fact that they have until the end of this year. He agrees with Mayor Wallace that he does not know about the 12 o'clock deadline. He is thinking about what they would do going forward as a city and county and he would caution about the 12 o'clock deadline. We have our guidelines and we have to do something by the end of the year or have something to AGL by that time as to what the intentions are. There has been communications with AGL within the recent weeks with the indications that they are basically ready when we are. He thinks that basically what AGL wants is a copy of the minutes from the City and County meeting where they agree to build a parking deck. (*Discussions between Mayor Wallace, City Manager Bennett and Commissioner Elect Tom Bennett were not audible.*)

Chairman Fricks noted that Mayor Wallace is saying that they voted on the payment schedule, and the way he understands it is that it will be necessary for both City and County to vote on the lease. The Development Authority is the one that enters into the lease and it was subject to approval of the City Commission and County Commission and the payment schedule is only an attachment to that lease. (*Comments made by Al Leonard were not audible.*) City Manager Bennett stated that the payment of the lease goes to the County; the City does not get any of the money. Chairman Fricks stated that the City needs to consider it all. City Manager Bennett stated that they did not Monday night and he thinks the City would be influenced by what statement County Attorney Hoyt makes and it would be satisfactory to them. Mr. Leonard stated that it basically cannot be signed by the Authority until the Authority, under their vote, gets approval of the City and County. City Manager Bennett stated that they would have to have a meeting to approve the new lease. Mr. Leonard stated that if City and County approves it then they (*Development Authority*) would sign the lease.

Commissioner Jennings stated that it makes sense that what they would do today is to state our bottom line as far as what would have to be in the lease in order for us to sign. Commissioner Hufstetler asked if there had been any discussion, before this lease, of a 20-year tax abatement. It was noted that it had been said that was "not on the table". City Manager Bennett mentioned that six years ago when the deal started, they asked for a 10-year abatement in the beginning. The City's reply was "no", we do not give that. As outlined in the agreement, the Development Authority did agree to a 5-year payout of a graduated schedule for the first five years on a payment in lieu of taxes, but it specifically says that the sixth year, taxes will be paid in full. Commissioner Hufstetler stated that the point he is trying to make is that there was never any deal for a 20-year tax abatement. He stated that Commissioner Elect Bennett, a contractor/developer, had gone through the lease and determined that there was a tax abatement for over 20 years, which they thought was a mistake. When the Pattons were called they stated that they had deliberately put that in there. They deliberately put something in there and did not say anything to anybody here in an effort to deceive both City and County. Commissioner Hufstetler asked why they continued to do business with somebody who is deliberately deceiving us. City Manager Bennett stated that Mr. Patton had not said that in his conversations. Chairman Fricks stated that when they had Mr. Patton on a conference call, he thought the 20-year abatement was the deal. Mr. Patton had stated that he could not make this work without the 20-year abatement. Commissioner Mahanay stated that since they are dealing with two people it is not clear when and whom. City Manager Bennett stated that the conversations the last two days were that they were asking for it (*20-year tax abatement*), but knew it was not going to happen. County Attorney Hoyt asked County Manager Poe, after they all met with Mr. Patton yesterday, what issues did he specifically say that he would not agree to, the 22 years, everything, has he gone back now on the 22 years? County Manager Poe stated that the main thing they talked about was the payment schedule, he would not agree with the payment schedule that was passed Monday night by the City Commission. County Attorney Hoyt stated that is a backup on what he (*Mr. Patton*) said earlier. County Manager Poe stated that Commissioner Hufstetler had found that they were trying to word this so they could get a

tax abatement, but he thinks he has dropped that issue now because he knows he will not get a tax abatement. County Attorney Hoyt asked about the payback on the CDBG Grant. County Manager Poe replied that he has not heard anything on that. Chairman Fricks stated that the only thing they ever agreed to was the original contract. City Manager Bennett stated that he feels they need to force them to put in writing what they will not agree to. County Attorney Hoyt stated that he thinks it could be done even easier than that. He said, "You are right about the Lease Agreement, he will not sign the Lease Agreement until his lawyer sees it and that will not happen by 12 o'clock." He stated that what they can do is decide today exactly what it is they want to amend in the lease and it be put in a Memo of Understanding. Based on what the County Manager said, he is not going to agree on it anyway, but they (*the Board*) have to decide; 1) the City has approved the 22-year payout, but the County has not, so they have to decide if that is what they want to do; 2) the other issue is regarding Commissioner Hufstetler's concerns about the guarantees of the Lease Agreement, whether they are going to put that in, and only they know whether that should be put in or not. By the same token that he agreed to 22-years and the other things and no ownership. Was this discussed, the guarantee of Sony, did they discuss the parking spaces, the payments, and such? Commissioner Jennings stated that they had discussed the issue of the \$50,000 or 75% after the 22-years is up, he does not know if they discussed guarantees for the payments.

Commissioner Hufstetler stated that they now have an agreement with Sony Rome Associates, who no one knows anything about other than that is, the one thing he thinks everybody in the room would bet on and that it is simply a shell corporation with no assets. County Manager Bennett commented, except a hotel. Commissioner Hufstetler stated that there is no hotel being built, what happens if the parking deck is built and there is never a hotel built, then you have no assets there. Mayor Wallace presented two examples: a) where Sony typically leases spaces and; b) where Sony is a 15% owner. From his perspective, he would like to have somebody else owning the parking deck with the County and City to shoulder financial losses, if they occur from operations. However, at that point he thinks it is more important for the County and City to understand financial capacity of the of the company. On the other example, where they have someone leasing these spaces, sure it is source of revenue, and if they do not perform, they have the spaces at that point to retail again. Commissioner Hufstetler stated that then they are looking at \$100,000 in losses on these sixty-four spaces, you will not get the revenue back on leasing it. Mayor Wallace stated that if they had an ownership interest, the capacity might be more important, than if you have just a rental interest. City Manager Bennett stated that County Manager Poe had made a good point at a meeting the previous day, which he had not thought about. If they go back to the original agreement where they were 15% owners, at the end of the 20 or 22 years, there spaces would be free, we would not have gotten any ... (*statement not completed*) Commissioner Hufstetler noted that they would also have shared the maintenance of the operation. City Manager Bennett stated that they will make the full payment as though they were buying it. What they thought they had agreed to was making the full payments plus their overruns and they were not getting the ownership so there should be some break in what they pay for the leased spaces going forward after that is done. To him, this is not the deal breaker, he thinks the other issues are that, we need to get the 22-year

payout and whether or not they are going to go forward. Commissioner Hufstetler stated that if you take the Atlanta Gas Light property and the hotel property, he thinks there is enough parking space for park paving. The question would be if Atlanta Gas Light agreed to something like that. The number of possible parking spaces was discussed. City Manager Bennett stated that he thought the net gain was about 200 spaces. Commissioner Hufstetler asked why they could not pave it all, make it parking and then say, if there is ever a hotel built... *(statement not completed)* There was also discussion as to whether Atlanta Gas Light would agree to this.

Chairman Fricks stated that, at this time, they need to discuss the terms of the contract. Commissioner Hufstetler asked if there was anyone in the room that would do that with their money? He then asked if they would do it with the taxpayers' money? Chairman Fricks replied that is what we are here to discuss. Commissioner Jennings stated that he thought what they have agreed set the condition of the 22-year payment schedule that would be consistent with what the City has said. He also stated that he thought they had agreed that there would be no 20-year tax abatement, that they would go back to the 1998 agreement where the taxes would be phased in over a five-year period. Commissioner Hufstetler stated that the major question he has is, again, when the parking deck is built and no one is there to make the \$100,000 in payments except a shell corporation and they just walk away from the deal. Commissioner Jennings stated that point number 4 is, according to a note he received from Commissioner Elect Bennett, that this would be conditioned upon the start of the hotel, which he thinks will address that particular issue. If we made this condition on the start of the hotel, which then does give them the assets to go after in that situation. Commissioner Hufstetler stated what if they say that there is a start, they approve the bonds, the parking deck starts, the hotel starts and then nothing happens with the hotel. Commissioner Jennings mentioned the condition about the completion of the hotel. Commissioner Mahanay stated that had been the intent from the beginning. City Manager Bennett stated that the agreement to start with was that they build both of them together, which was the whole advantage of using them to start with. Commissioner Hufstetler stated that they have had other agreements where they said they were going to do "this, this and this" and they have not kept any of them.

Chairman Fricks stated that what they are trying to do now is address everybody's concerns with the contract at this point is to make sure that we put the elements in there instead of waiting for them to come back with the elements, and the Commission build any type of exposure that they are concerned about, we need to address it in the contract, submit it back to them with those conditions and if they turn it down, then they have pulled the plug on the deal. Commissioner Hufstetler asked about the loan guarantees and the financials which we were to receive to guarantee these payments, bonds. He stated that he is not hearing any of this and he does not see it in the lease. Chairman Fricks stated that is what they are there to address and he asked that they list their concerns and then prepare the lease that they feel meets the agreement that was made originally and gives us the points of security. Then if they turn it down, they cannot meet the conditions, then they cannot meet the terms of the conditions. Mayor Wallace commented that they would be happy for City Attorney Brinson to assist in that with

County Attorney Hoyt if they want. County Attorney Hoyt stated that he thought if it is going to be brought to a head today, there is no way to expect John Manning (Patton's attorney) to sign off on the lease today, but we can certainly set out the specifics that the Board wants in the lease and request him to sign off on them and if he refuses, then the City and County don't have to go any further. City Manager Bennett commented that Commissioner Hufstetler is right about the financial statements, but with the conversations with the Marriott people, they are not going to give a franchise if they do not produce everything they are talking about. At whatever time they get a franchise, they would see the documents. A bank is certainly not going to make them a loan unless someone is guaranteeing to make some payments and he asked County Attorney Hoyt if that was not correct. County Attorney Hoyt replied that is what you would expect. City Manager Bennett stated that he agreed that they need to see it all, but there are certainly other people in the deal that also have a lot at stake and will want the same information. Commissioner Hufstetler stated that they were getting ready to issue bonds this month and would not have had any of that information. City Manager Bennett replied that they would not have issued the bonds without that information. County Manager Poe stated that he is not concerned that they may have given the bank the 24-year payout schedule and show them \$70,000 a year and now will have to go back to the bank and state their annual payments, which may blow their financing. City Manager Bennett stated that he agrees with Commissioner Hufstetler that it should be contingent on all of the things being approved for the lease to be in affect. We do not want to sign the lease if none of the things are there. Commissioner Jennings asked if they could say "conditioned upon an approved financial package for the hotel being submitted to us." City Manager Bennett stated that he thinks the original agreement said that they will have a Marriott franchise and we should make sure that that is in there. Chairman Fricks stated that was in the original lease.

Commissioner Jennings asked County Attorney Hoyt what was in the list of items they want in the lease. County Attorney Hoyt stated that he thought they might want to take them one at a time and vote on them so that you can decide what you want to do. The first item he had written down was the 22-year payout that the City approved, how does this Board feel about that 22-year payout? Chairman Fricks stated that there is another item, which he thinks is a large thing and he is not sure how it has been identified here. The Community Development Block Grant, which had been mentioned, is a loan to the Pattons, not an actual Block Grant, that they have to pay back. This is not identified in the contract that they are committed to pay that loan back. County Manager Poe stated that there is a separate contract he will have to sign agreeing to that. County Attorney Hoyt noted that was his item number 5. Commissioner Mahanay suggested County Attorney Hoyt finish his list. County Manager Poe noted that Mr. Patton will have to prepare a Letter of Credit for the CDBG Grant. County Attorney Hoyt presented the following list of items:

1. The 22-year payout schedule approved by the City.
No 15% ownership or 15% ownership.
3. No tax abatement for the hotel, other than payment in lieu of taxes on original 1998 agreement for five years.

4. Parkwood/Songy to continue to pay rent for spaces, but then you would have to decide whether you are ok with the 25% or \$50,000 or whether you want to change it per Commissioner Hufstetler's comments.
5. Parkwood/Songy to pay back CDBG Grant and/or loan, which he is aware of. County Manager Poe stated that he has to sign a contract and turn in to DCA before they make the funds available.
6. Guarantees of lease agreements.

Mayor Wallace asked if a \$50,000 cap had ever been any part of any estimate that the Commission

had ever approved. Commissioner Hufstetler replied, "no." Chairman Fricks stated that this is the first time this is being brought to the Commission. Chairman Fricks stated that any approval would be subject to the review of the County Attorney. County Attorney Hoyt noted that there has to be no mention of the building in the reference to the tax abatement. Chairman Fricks distributed copies of a letter received from Earl Patton. He stated that he had never invited the Pattons here. He and County Manager Poe had talked about speaking with them after this meeting, and he hoped that there was no misunderstanding with the media that they were being invited to the meeting. County Manager Poe stated that the conversation he had with Mr. Patton the previous night was not working towards them coming to the meeting this morning.

Commissioner Hufstetler asked if they were coming to the Groundbreaking. County Manager Poe stated that the last conversation with him, Mr. Patton was arguing with him about whose groundbreaking it was, that he had nothing to do with the Groundbreaking, that was all the County. In fact he said that was Commissioner Jennings idea. City Manager Bennett stated that they were told that they could not get on the Atlanta Gas Light property. It was noted that the contractor is paying for the Groundbreaking.

County Attorney Hoyt asked if the 22-year payout was acceptable. Chairman Fricks stated that it has to be under the conditions that ownership is retained. County Attorney Hoyt stated that was Item 2 and he combined Items 1 and 2, 22-year payout schedule approved by the City on Monday night along with 100% ownership. It was the consensus of the Board for agreement of this.

County Attorney Hoyt presented Item 3, which is No tax abatement for the hotel other than payment in lieu of taxes on the original 1998 contract for five years on a graduated schedule. It was the consensus of the Board for agreement of Item 3.

County Attorney Hoyt presented Item 4, which is Parkwood/Songy to continue to pay rent for spaces at 25% below market value, after the debt is paid off. He noted that the \$50,000 cap is removed. It was the consensus of the Board for agreement of Item 4.

County Attorney Hoyt presented Item 5, which is Parkwood/Songy to pay back CDBG Grant and/or loan and sign contract with DCA for agreement to do that. It was

noted that the amount of the grant is \$500,000 and that since this is a private industry, it has to be a loan instead of a grant and it is his (*Mr. Patton*) responsibility to pay it back.

County Attorney Hoyt presented Item 6, which is that it is all conditioned on the approved financial package from Songy Associates and that the hotel be a Marriott Courtyard. Commissioner Jennings stated this addresses the issue raised by Commissioner Hufstetler as far as the financial ability of the partnership. Commissioner Hufstetler asked about the Performance Bond, which was not in there. Commissioner Mayes mentioned that there was not Letter of Credit. Chairman Fricks asked about the condition regarding the construction coinciding with the hotel construction. Commissioner Hufstetler stated that a Performance Bond is needed on that or they can say, “we are starting the same time as you are” and then after signing, back off.

County Hoyt stated that the next issue, Item 7, would be Letter of Credit versus Performance Bond. As he understands it, everybody wants the Performance Bond. It was the consensus of the Board that they wanted a Performance Bond.

Commissioner Mahanay stated that Items 5, 6 and 7 had not been addressed individually and asked if they would be done as a group.

Commissioner Hufstetler stated that the original 1998 agreement had been with 56 parking spaces and this lease has 64, and asked when that changed. County Manager Poe stated that he thought that was before the design was completed and it is all based on percentages. When the agreement was first put together, they were estimating on the number of available spaces. When the design was completed there were more spaces than originally estimated. The final design will have 375 total spaces and Commissioner Hufstetler stated that 15% of this will be 56.25 parking spaces. Commissioner Mahanay stated that they should stick with 15%.

Chairman Fricks asked if, primarily, none of these conditions exceed what their expectations were in the original contract. It was determined these were not new elements. Mayor Wallace asked about the “approved financial package.” This infers that there will be entity or individual that will approve the package. He wanted to know if they are asking for the right for approval or are they asking for a copy or a set of the financials that have been approved by Marriott and having allowed Marriott to make that decision. Commissioner Hufstetler stated that he is asking for two things, one, a Performance Bond that will guarantee the parking deck and that will guarantee that the hotel is built, because without the hotel, you have a parking deck. The second is, who is guaranteeing these payments on the parking deck of \$100,000, is it a shell corporation or what? Commissioner-Elect Bennett stated that, as a developer, and he cannot speak for Marriott, but Marriott will get paid for their franchise and they do not want a bad franchise, but they have less at risk. When they get paid for a franchise, they have their money, approval of Marriott does not make a lot of difference, because we will be operating on pro-forma. What he thinks is needed is a warrant or guaranty of the payments to the City and the County for their portion of this debt service, whether this comes in the manner of a Letter of Credit... (*statement not completed*) You can take a

Letter of Credit to guarantee payment, but you do not want a Letter of Credit to guarantee the construction of the property. It seems to him what needs to be done is give the Board the ability to approve or reject it. Then you do not get into who previously approves it. He stated that the bank will make sure that they are protected, but they may not make sure that the County is protected. County Attorney Hoyt stated that it could say "an approved financial package acceptable by the County". City Manager Bennett stated that it needs to be acceptable by City, County and Development Authority. Comptroller Al Leonard stated that when they refer to a shell, Rome/Floyd is a shell, it goes to the City/County. *(Comments made by Commissioner Elect Bennett were not audible.)*

County Attorney Hoyt read the list again.

1. 22-year payout schedule which has been agreed to with the 100% ownership.
No tax abatement for the hotel other than payment in lieu of taxes on original agreement.
3. Parkwood/Songy continue to pay rent for spaces after the debt is paid off at 25% below market value for the parking spaces.
4. Parkwood/Songy to pay back CDBG Grant and/or loan and to sign all contracts with DCA.
5. All this is conditioned on an approved financial package to be approved by the County, City and Development Authority from Songy Associates.
6. All to be approved if that this be a Marriott Courtyard and that there be a Performance Bond, not a Letter of Credit, on the parking deck and the hotel.
7. 15% parking spaces for the hotel parking.

Commissioner Mahanay questioned the part about the financial statements.
Mayor Wallace asked

if County Attorney Hoyt should not be authorized to communicate this to Mr. Patton. County Attorney Hoyt stated that he will prepare this and circulate it to the Board and then let Chairman Fricks approve it. Chairman Fricks stated that one of the intentions was to come up with the conditions and then to talk to Earl Patton, with County Attorney Hoyt there also. He asked if this is a possibility of working these conditions out, before the conditions are even drawn up. Mayor Wallace stated that his intentions were that County Attorney Hoyt call, and after taking the vote, if it passes, let Attorney Hoyt communicate with him because there is still have an issue, with Marriott people coming from Pennsylvania and others coming from different places, that need to be interrupted with some degree of finality or reach some miraculous agreement and go on to with the Groundbreaking. Chairman Fricks stated that he is also concerned about the embarrassment for Mr. Patton, but at the same time last night at 8 o'clock he had told Kevin that the deal was off. If the Board wants to continue to pursue it to protect his embarrassment, then he would still be hanging out there. If we listened to what he (*Mr. Patton*) wanted to do, the deal would be off, we would not be trying to work these out. He (*Mr. Patton*) is telling them now that the deal voted on by the City is not acceptable. Commissioner Jennings stated that he thought it was a good point and that we do not

have the exact wording, but we know what the issues are and he (*County Attorney Hoyt*) needs to communicate with them as soon as possible. Commissioner Mahanay commented that nothing here exceeds what was originally agreed. County Attorney Hoyt stated that he will go back to his office and call Mr. Patton. Chairman Fricks stated that another option is to go back to the original lease and agree to all of the conditions of the original lease, \$3.3 million, 20 year payments schedule and 5-year abatement. He stated that the conditions the County does not agree with are the changed conditions. The only thing we do not have on that, we do have in the supplement contract. Chairman Fricks stated that if the if we met the original contract, plus the Supplement Contract he thinks they will all be fine. City Manager Bennett stated that there is one part of the original agreement which they cannot do and that is that they cannot give them 15% ownership, so you have to reconcile that is a change and if you are going to go back to that there would have to be some reconciliation of that particular issue. Chairman Fricks stated that all of the outline of these elements have either been met or requested in the first agreement or the supplemental agreement.

Commissioner Hufstetler made a MOTION to accept these conditions and authorize the County Attorney to communicate those conditions to the developer and draft...(*Motion not completed*) Chairman Fricks stated that they are accepting the same payment that was offered and was accepted by the City of Rome. Commissioner Jennings stated that in light of the action taken by the City of Rome on Monday, December 16, 2002 and in light of past agreements that have been made between Parkwood Management and Floyd County, City of Rome, Development Authority, he made a MOTION that we are communicating the following eight conditions that have been previously agreed to but in our minds need to be spelled out in detail. The eight conditions we are authorizing the County Attorney to verbally communicate to the developers; and further the County Attorney will write up the eight conditions and circulate them amongst the Commissioners so that we can eventually take action on a lease that has these factors incorporated in it. A copy will also be sent to the City and the Rome/Floyd Development Authority. The eight conditions are the ones that County Attorney Hoyt had previously read. SECOND by Commissioner Mahanay. Commissioner Hufstetler stated he agrees with making an agreement with Mr. Patton, that all of these changes need to be put in there, however, his position is that he has failed to fulfill his obligations on numerous occasions where he agreed to deadlines and that this should not be continued, that it should be cancelled and that he should be gone after for damages at this point. He stated that there has been approximately \$400,000 given to him over the past several years with nothing being produced. He supports the changes, but he will vote “no” because he believes we should be canceling it altogether and taking legal action. VOTING:

YES

NO

Commissioner Hufstetler

Commissioner Jennings

" Mahanay

" Mayes

Chairman Fricks

Motion Carried

Chairman Fricks suggested that they contact Earl Patton on a conference call and go over all of these items with him.

ADJOURNMENT:

There being no further business to come before the Board, MOTION was made by Commissioner Mayes, SECOND by Commissioner Jennings, that the meeting be adjourned. VOTING:

YES

NO

Commissioner Hufstetler

" Jennings

" Mahanay

" Mayes

Chairman Fricks

Motion Carried

COMMISSIONERS

FLOYD COUNTY BOARD OF

GARRY E. FRICKS,

CHAIRMAN