


DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF JONESBORO
Regular Meeting
170 SOUTH MAIN STREET
October 3, 2019 – 6:00 PM

NOTE: As set forth in the Americans with Disabilities Act of 1990, the City of Jonesboro will assist citizens with special needs given proper notice to participate in any open meetings of the City of Jonesboro. Please contact the City Administrator's Office via telephone (770-478-3800) or email at rclark@jonesboroga.com should you need assistance.

Agenda

- I. CALL TO ORDER - KAREN SULLIVAN, VICE CHAIRMAN**
- II. ADOPTION OF AGENDA**
- III. FINANCIAL REPORT**
 - 1. Consideration of Financial Statements for nine-month period ended September 30, 2019.
- IV. MINUTES**
 - 1. Consideration of the Minutes of the September 12, 2019 Regular Meeting.
- V. AGENDA ITEMS**
 - 1. Appointment of Chairman to fill the vacancy of Joel Aviles.
 - 2. Consideration of an Assignment, Assumption, Modification and reaffirmation agreement regarding the Hampstead Keystone Partners, L.P. Project, Series 2016 Bond.
 - 3. Update on Downtown Street Festival
- VI. COMMITTEE UPDATES**
 - 1. Promotions/Organization Committee - Juli Segner, Chairperson
 - 2. Economic Restructuring Committee - Sylvester Ford, Chairperson
 - 3. Design Committee -
- VII. EXECUTIVE DIRECTOR'S REPORT**
- VIII. BOARD OF DIRECTOR'S COMMENTS**
- IX. ADJOURNMENT**

	CITY OF JONESBORO, GEORGIA COUNCIL Agenda Item Summary	Agenda Item # <div style="background-color: #cccccc; padding: 2px; display: inline-block;">3.1</div> - 1
		COUNCIL MEETING DATE October 3, 2019
Requesting Agency (Initiator) Office of the City Manager	Sponsor(s)	
Requested Action <i>(Identify appropriate Action or Motion, purpose, cost, timeframe, etc.)</i> Consideration of Financial Statements for nine-month period ended September 30, 2019.		
Requirement for Board Action <i>(Cite specific Council policy, statute or code requirement)</i>		
Is this Item Goal Related? <i>(If yes, describe how this action meets the specific Board Focus Area or Goal)</i> Yes Community Planning, Neighborhood and Business Revitalization		
Summary & Background <i>(First sentence includes Agency recommendation. Provide an executive summary of the action that gives an overview of the relevant details for the item.)</i>		
Fiscal Impact <i>(Include projected cost, approved budget amount and account number, source of funds, and any future funding requirements.)</i>		
Exhibits Attached <i>(Provide copies of originals, number exhibits consecutively, and label all exhibits in the upper right corner.)</i> <ul style="list-style-type: none"> P&L as of 093019 		
Staff Recommendation <i>(Type Name, Title, Agency and Phone)</i> Approval		

FOLLOW-UP APPROVAL ACTION (City Clerk)		
Typed Name and Title Ricky L. Clark, City Manager	Date October, 3, 2019	
Signature	City Clerk's Office	

Profit & Loss

January through September 2019

Jan - Sep 19

Ordinary Income/Expense	
Income	
40.1000 • General Budget transfers	10,000.00
41.1000 • Issuer's fee	15,770.64
42.1000 • Event revenue	38,945.75
43.1000 • Membership Revenue	13,775.00
49.1000 • Misc revenue	732.04
Total Income	79,223.43
Expense	
52.1200 • Professional	28,298.30
52.2300 • Rentals	638.87
52.3300 • Advertising	6,601.40
52.3500 • Travel	
52.3501 • General	581.36
Total 52.3500 • Travel	581.36
52.3600 • Dues and fees	1,278.89
52.3700 • Education & Training	
52.3701 • General	175.00
52.3702 • Board of Directors	200.00
Total 52.3700 • Education & Training	375.00
53.1100 • General Supplies & Materials	474.67
53.1500 • Supplies/Inventory for resale	
53.1590 • Other	125.00
53.1500 • Supplies/Inventory for resale - Other	1,883.30
Total 53.1500 • Supplies/Inventory for resale	2,008.30
60.4000 • Bank Service Charges	
60.4001 • QuickBooks Merchant Fees	65.25
60.4000 • Bank Service Charges - Other	397.83
Total 60.4000 • Bank Service Charges	463.08
Total Expense	40,719.87
Net Ordinary Income	38,503.56
Other Income/Expense	
Other Income	
4000 • Interest Revenue	17.94
Total Other Income	17.94
Other Expense	
5000 • Interest Expense	1,208.59
Total Other Expense	1,208.59
Net Other Income	-1,190.65
Net Income	37,312.91

Attachment: P&L as of 093019 (1510 : Financial Statements - Ended 09/30/2019)



REGULAR MEETING
170 SOUTH MAIN STREET
September 12, 2019
Agenda

- I. CALL TO ORDER**
- II. ADOPTION OF AGENDA**
- III. ADOPTION OF MINUTES**
 - 1. Consideration of the Minutes of the June 6, 2019 Downtown Development Authority/Main Street Meeting.
- IV. FINANCIAL STATEMENTS**
 - 1. Consideration of Financial Statements for the nine-month period ended August 31, 2019.
- V. AGENDA ITEMS**
 - 1. Consideration of a Façade Grant application as received from The Millar Law Firm.
 - 2. Consideration of a Façade Grant application as received from the Clayton County Film and Visitors Office.
 - 3. Consideration of a Development agreement by and between the Downtown Development Authority of the City of Jonesboro and Good Food and Company, LLC for renovation and construction of improvements located at 103 West Mill Street.
 - 4. Consideration of estimate in the amount of \$6500 for necessary renovations to the property located at 166 South Main Street.
 - 5. Update on 2019 Downtown Street Festival.
 - 6. Update regarding potential bed & breakfast location.
 - 7. Discussion regarding proposed changes to sidewalks within the Central Business District.
- VI. COMMITTEE UPDATES**
 - 1. Promotions/Organization Committee -
 - 2. Design Committee -
 - 3. Economic Vitality Chair -
- VII. EXECUTIVE DIRECTOR'S REPORT**
- VIII. BOARD OF DIRECTOR'S COMMENTS**
- IX. ADJOURNMENT**

Minutes Acceptance: Minutes of Sep 12, 2019 6:00 PM (MINUTES)



CITY OF JONESBORO, GEORGIA COUNCIL
Agenda Item Summary

Agenda Item #

5.2

- 2

COUNCIL MEETING DATE
October 3, 2019

Requesting Agency (Initiator)

Office of the City Manager

Sponsor(s)

Requested Action (Identify appropriate Action or Motion, purpose, cost, timeframe, etc.)

Consideration of an Assignment, Assumption, Modification and reaffirmation agreement regarding the Hampstead Keystone Partners, L.P. Project, Series 2016 Bond.

Requirement for Board Action (Cite specific Council policy, statute or code requirement)

Is this Item Goal Related? (If yes, describe how this action meets the specific Board Focus Area or Goal)

Summary & Background

(First sentence includes Agency recommendation. Provide an executive summary of the action that gives an overview of the relevant details for the item.)

On December 6, 2016, the Issuer issued and the Bondholder purchased those certain Downtown Development Authority of the City of Jonesboro, Georgia Multifamily Housing Facilities Revenue Bonds (Hampstead Keystone Partners, L.P. Project), Series 2016 (the “**Bonds**”) in the aggregate principal amount of \$18,250,000 pursuant to that certain Indenture of Trust dated as of December 1, 2016 (the “**Indenture**”). Hampstead is selling their GP interests. R4 and the sole bondholder will ultimately approve the transfer. In order to effectuate the transaction, it is necessary for us to approved amended documents to reflect the changes.

Our legal team has reviewed the amended documents and recommend approval.

Fiscal Impact

(Include projected cost, approved budget amount and account number, source of funds, and any future funding requirements.)

Exhibits Attached (Provide copies of originals, number exhibits consecutively, and label all exhibits in the upper right corner.)

- Assignment Assumption Modification and Reaffirmation Agreement -Keystone

Staff Recommendation (Type Name, Title, Agency and Phone)

Approval.

FOLLOW-UP APPROVAL ACTION (City Clerk)

Typed Name and Title

Ricky L. Clark, City Manager

Date

October, 3, 2019

Signature

City Clerk's Office

ASSIGNMENT, ASSUMPTION, MODIFICATION AND REAFFIRMATION AGREEMENT

ASSIGNMENT, ASSUMPTION, MODIFICATION AND REAFFIRMATION AGREEMENT (the “**Agreement**”) entered into as of October __, 2019 (the “**Effective Date**”), by and among **HAMPSTEAD KEYSTONE PARTNERS, L.P.**, a Georgia limited partnership (the “**Borrower**”), **THE HAMPSTEAD GROUP, INC.**, a California corporation (“**Hampstead**”), **GREG GOSSARD**, an individual guarantor (“**Gossard**”), **JEFF JALLO**, an individual guarantor (“**Jallo**”) and **CHRIS FOSTER**, an individual guarantor (“**Foster**” and, together with Hampstead, Gossard and Jallo, the “**Assignors**”), **STUART FELDMAN**, an individual guarantor (“**Feldman**”), **JEFFREY GOLDBERG**, an individual guarantor (“**Goldberg**” and, together with Feldman, the “**Assignees**”), **DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF JONESBORO, GEORGIA** (“**Issuer**”), **THE HUNTINGTON NATIONAL BANK**, as trustee (“**Trustee**”), **WESTERN ALLIANCE BUSINESS TRUST**, as sole bondholder (“**Bondholder**”) and **R4 SERVICER LLC** (“**Controlling Person**”).

PRELIMINARY STATEMENT

A. On December 6, 2016, the Issuer issued and the Bondholder purchased those certain Downtown Development Authority of the City of Jonesboro, Georgia Multifamily Housing Facilities Revenue Bonds (Hampstead Keystone Partners, L.P. Project), Series 2016 (the “**Bonds**”) in the aggregate principal amount of \$18,250,000 pursuant to that certain Indenture of Trust dated as of December 1, 2016 (the “**Indenture**”).

B. Contemporaneously herewith, Hampstead Keystone, LLC, the general partner of the Borrower shall transfer its interests in the Borrower (the “**Transfer**”) to Keystone FA II Owner LLC, a Georgia limited liability company (the “**Successor GP**”) and in connection with such Transfer: (i) the Assignors shall herein assign their respective interests in the Environmental Indemnification Agreement and the Guaranty of Recourse Obligations, each dated as of December 1, 2016 and executed by the Assignors (collectively, the “**Guarantees**”) to Assignee; and (ii) the Manager shall be replaced with SHP Management Corp.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby covenant and agree as follows:

Section 1 **Defined Terms.** Capitalized terms used herein and not defined shall have the meanings given thereto in the Indenture (defined below).

Section 2 **Amendments of General Applicability.** For all purposes under the Bond Documents and effective from and after the Effective Date, notices to the Borrower shall be sent to:

To the Borrower: Hampstead Keystone Partners, L.P.
 c/o Fairstead Affordable LLC
 250 West 55th Street, 35th Floor
 New York, New York 10019
 Attention: Jeffrey Goldberg and John Tatum
 Email: Jeffrey.Goldberg@fairstead.com
 John.Tatum@fairstead.com

With copies to: Vorys, Sater, Seymour and Pease LLP
 1909 K Street NW, Suite 900
 Washington, DC 20006
 Attention: Kelly B. Bissinger, Esq.
 Facsimile: 202-533-9019

Fairstead Affordable LLC
 250 West 55th Street, 35th Floor
 New York, New York 10019
 Attention: Seth Hoffman, Esq.
 Email: seth.hoffman@fairstead.com

R4 KA Acquisition LLC
 c/o R4 Capital LLC
 780 Third Avenue, 16th Floor
 New York, New York 10017
 Attn: Marc Schnitzer

And

Frost Brown Todd LLC
 400 West Market Street, Suite 3200
 Louisville, Kentucky 40202
 Attn: Amy Curry

Section 3 **Amendments to the Indenture.** The Indenture of Trust shall be amended as follows and effective as of the Effective Date:

A. Effective for all purposes from and after the Effective Date, the definitions of “Authorized Person,” “General Partner,” “Guarantor” and “Manager” shall be deleted in their entirety and replaced with the following:

““Authorized Person” means one or more individuals duly authorized to bind the Borrower in connection with the administration of the Project Facilities. Initially, Authorized Persons of the Borrower shall be Stuart Feldman, Jeffrey Goldberg and John Tatum.”

““General Partner” means, Keystone FA II Owner LLC, a limited liability company authorized to conduct its business in the State, the general partner of the borrower, together with its successors and assigns, as permitted by the Controlling Person and the restrictions described in the definition of “Permitted Transfer” herein.”

““Guarantor” means, jointly and severally, (i) Stuart Feldman, (ii) Jeffrey Goldberg, and/or (iii) one or more Persons approved by the Controlling Person in its reasonable discretion, together with their respective heirs, executors, personal and legal representatives and permitted successors and assigns. Controlling Person acknowledges and agrees that if any Guarantor is a natural person and such Guarantor dies, the Controlling Person shall be notified, and, if such natural person was the sole remaining Guarantor, such individual shall be replaced with an individual or entity acceptable to Controlling Person in its reasonable discretion within one hundred eighty (180) days of such death; provided that such a replacement Guarantor is provided within such 180-day period, neither Borrower, General Partner nor Guarantor shall be in default under the Bond Documents during such period for lack of a replacement Guarantor.”

““Manager” means SHP Management Corp., together with a successor manager of the Project Facilities approved by the Controlling Person in its reasonable discretion and their respective successors and assigns.”

B. Effective for all purposes from and after the Effective Date, Part (vii) of the definition of “Permitted Transfer” shall be deleted in its entirety and replaced with:

““(vii) Transfers of any interests in the General Partner so long as one or more of the Guarantors, or one or more members of one or more of the Guarantors, directly or indirectly, control the Borrower after such transfer occurs;”

Section 4. **Amendment to Guaranty of Recourse Obligations.** The Guaranty of Recourse Obligations shall be amended as follows:

A. Effective for all purposes from and after the Effective Date Section 3.02(a)(i) shall be deleted in its entirety and replaced with:

““Section 3.02(a)(i) individuals – within sixty (60) days after the end of each calendar year, true, complete and correct copies of Guarantor’s annual financial statements, in reasonable detail and prepared in accordance with consistently applied accounting methods used in the preparation of the financial statements of such Guarantor provided to Controlling Person prior to [October __, 2019] or such other accounting methods selected by such Guarantor that are reasonably acceptable to the Controlling Person;”

B. Effective for all purposes from and after the Effective Date Section 3.02(a)(iii) shall be deleted in its entirety and replaced with:

““Section 3.02(a)(iii) if an Event of Default has occurred and is continuing, within ten (10) days after filing copies of Guarantor’s federal income tax return, which return shall be timely filed (subject to lawful extensions of time.”

Section 5. **Assignment and Assumption of Guarantees.** The Assignors hereby assign to the Assignees all of their respective rights, title, and interest under the Guarantees and the Assignees hereby each individually accept and unconditionally assume, jointly and severally, in full, all of the duties, agreements and obligations of the Assignors under the Guarantees, which assignment and

assumption shall be effective upon the Effective Date. The Assignors (a) are hereby released under the Guarantees from any liability first arising, and relating to events occurring, after the Effective Date and (b) shall remain liable for all other obligations under the Guarantees.

Section 6. **Consent.** The Issuer, the Trustee, the Bondholder and the Controlling Person each hereby consent to following:

A. the Transfer of the General Partner's interests in the Borrower to the Successor GP.

B. the amendment of the Partnership Agreement of the Borrower in connection with such Transfer pursuant to that certain Third Amendment to Amended and Restated Agreement of Limited Partnership of Hampstead Keystone Partners, L.P.

C. the Assignment and Assumption of the Guarantors' obligations under the remaining Guarantees by Assignees pursuant hereto.

D. the replacement of the Manager with SHP Management Corp. pursuant to that certain Management Agreement dated on or about the date hereof.

Section 7. **Reaffirmation by Borrower.**

A. On and subject to the terms of, and except as provided in, this Agreement, Borrower agrees that the Bond Documents continue to be the valid and binding obligations of Borrower, and will be and remain in full force and effect, unmodified and enforceable against Borrower in accordance with their terms.

B. The Project Facilities are and will remain subject to the lien, charge and encumbrance of the Mortgage. Nothing contained in this Agreement or done pursuant to this Agreement will affect or be construed to affect the lien, charge, and encumbrance of the Mortgage or the priority of the Mortgage over other liens, charges and encumbrances.

C. Nothing contained in this Agreement or done pursuant to this Agreement will release or be construed to release or affect the liability of any party or parties who may now or after the Effective Date be liable under or on account of the Note, the Mortgage, or any other Bond Document, except as may be expressly provided in this Agreement.

D. Borrower is and will continue to be liable for the payment of all sums and the performance of every obligation of Borrower required under the Bond Documents to the extent set forth in the Bond Documents.

Section 8. **Effect of Amendments; Ratification.** Except as amended and supplemented by this Amendment, all provisions of the Bond Documents shall remain in full force and effect and each of the Bond Documents is hereby ratified and confirmed in all other respects.

Section 9. **Governing Law.** This Amendment shall be interpreted and construed in accordance with and governed by the laws of the State of Georgia.

Section 10. **Counterparts.** This Amendment may be executed in any number of counterparts, and each of such counterparts shall for all purposes be deemed to be an original, and all of such counterparts shall together constitute but one and the same instrument

Section 11. **Signatories.** Each of the undersigned parties has executed this Amendment solely for those documents to which it is a party.

Section 12. **Binding Agreement.** This Agreement shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, heirs and legatees of the respective parties hereto. This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with, the laws of the state specified in the Bond Documents.

[Remainder of page intentionally left blank; signature page(s) to follow]

Attachment: Assignment Assumption Modification and Reaffirmation Agreement -Keystone (1511 : Keystone - Hampstead)

IN WITNESS WHEREOF, each of the parties hereto has executed and delivered this Agreement as of the Effective Date first written above.

BORROWER:

HAMPSTEAD KEYSTONE PARTNERS, L.P., a
Georgia limited partnership

By: Keystone FA II Owner LLC, a Georgia limited
liability company, its general partner

By: _____
Name: John Tatum
Title: Authorized Signatory

ASSIGNORS:

THE HAMPSTEAD GROUP, INC., a California
corporation

By: _____
Name: Greg Gossard
Title: Secretary

Address: 1350 Columbia Street, Suite 802
San Diego, California 92101

GREG GOSSARD

Address: 1350 Columbia Street, Suite 802
San Diego, California 92101

Attachment: Assignment Assumption Modification and Reaffirmation Agreement -Keystone (1511 : Keystone - Hampstead)

JEFF JALLO

Address: 1350 Columbia Street, Suite 802
San Diego, California 92101

CHRIS FOSTER

Address: 1350 Columbia Street, Suite 802
San Diego, California 92101

ASSIGNEES:

STUART FELDMAN

Address:

JEFFREY GOLDBERG

Address:

ISSUER:

**DOWNTOWN DEVELOPMENT AUTHORITY OF
THE CITY OF JONESBORO, GEORGIA**

By: _____
Name:
Title:

TRUSTEE:

THE HUNTINGTON NATIONAL BANK, as trustee

By: _____
Name: Cheri Scott-Geraci
Title: Vice President

PURCHASER:

WESTERN ALLIANCE BUSINESS TRUST, a
Delaware business trust

By: _____
Name: John Radwanski
Title: Senior Vice President

CONTROLLING PERSON:

R4 SERVICER LLC, a Delaware limited liability
company

By: _____
Name: Greg Doble
Title: President