



# STATE PROPERTIES COMMISSION

47 Trinity Avenue, S.W., Suite G02, Atlanta, Georgia 30334

Chairman  
Nathan Deal  
*Governor*

*Executive Director*  
Steven L. Stancil

## MINUTES

### STATE PROPERTIES COMMISSION BOARD MEETING

NOVEMBER 26, 2013

STATE CAPITOL, ROOM 107

#### MEMBERS IN ATTENDANCE:

Governor Nathan Deal, Chair  
Alan Skelton, Vice Chair  
Brian Kemp, Secretary  
Steve McCoy, Member  
Dr. George Snelling, III, Citizen Member (by conference call)  
Mike Nixon, Citizen Member (by conference call)  
Phil Carlock, Citizen Member

#### IN ATTENDANCE:

Frank Smith, State Properties Commission  
Steve Stancil, State Properties Commission  
Heather York, State Properties Commission  
J. Wade, State Properties Commission  
Alisa Pereira, Georgia Building Authority  
Paul Melvin, Georgia Building Authority  
Sonny Manalili, Georgia Building Authority  
Frank Poe, Georgia World Congress Center Authority  
Kevin Duvall, Georgia World Congress Center Authority  
Lindsay Perdue, Georgia World Congress Center Authority  
Denise Whiting-Pack, Georgia Department of Law  
Tanisha Thomas, Georgia Department of Law  
Bart Gobeil, Office of the Governor  
Chris Riley, Office of the Governor  
Ryan Teague, Office of the Governor  
Teresa MacCartney, Office of Planning & Budget  
Robert Diggs, Weiner, Yancey, Dempsey & Diggs

**IN ATTENDANCE:**

Larry Zaglin  
Charles Pursley, Pursley, Friese, Torgrimson

**CALL TO ORDER AND MINUTES OF THE PREVIOUS MEETING (NOVEMBER 18, 2013).**

Governor Deal called the meeting of the State Properties Commission to order and stated the first order of business would be approval of the minutes of the November 18<sup>th</sup> meeting. Phil Carlock made a motion to approve the minutes and Steve McCoy seconded the motion. The motion carried unanimously.

**REQUEST BY THE GEORGIA DEPARTMENT OF ECONOMIC DEVELOPMENT FOR THE STATE TO ACQUIRE BY CONDEMNATION PURSUANT TO O.C.G.A. §§ 50-16-34(17) AND §§ 50-16-44 APPROXIMATELY 0.4159 OF ONE ACRE AT 52 MANGUM STREET, ATLANTA, FULTON COUNTY, FOR JUST AND ADEQUATE COMPENSATION. (SPC # 812.127)**

Frank Smith presented the request on behalf of Department of Economic Development and the Georgia World Congress Center Authority to acquire by condemnation approximately 0.41 of one acre on Mangum Street for just and adequate compensation. On December 2, 2012 the Georgia World Congress Center Authority (GWCCA) offered \$1,000,000 to Mr. Zaglin and Ms. Fetco as consideration to acquire the property. No response to that offer was ever received. GWCCA commissioned two independent appraisals of the property effective on June 11, 2013 and August 3, 2013. The appraised values were \$1,110,000 and \$1,262,000 respectively. On August 16, 2013, GWCCA offered the highest appraised value of \$1.262 Million. On October 22, 2013 a counter offer was received by the owner in the amount of \$12.5 million with the statement he believed the value of the property was in excess of \$25 million but would accept the lesser amount to resolve the matter quickly. The owners offer was good through October 30, 2013 and was subsequently declined. On November 12, 2013, the Georgia World Congress Center Authority board met at 6:15 p.m. and on November 19, 2013, the Department of Economic Development board met at 7:15 p.m. and both boards resolved to request the State Properties Commission to proceed with condemnation.

Governor Deal stated that the State cannot purchase property that is in excess of the fair market value. He requested confirmation of that statement from the Attorney General's Office. Assistant Attorney General Denise Whiting-Pack confirmed that statement. Governor Deal opened the floor to allow Mr. Zaglin and/or his attorney to address the board.

Charles Pursley, Mr. Zaglin and Laura Fetco's attorney, addressed the board. He stated it has always been the owner's intention to develop or sell the property. The owner's believe the best use of the property is for a hotel. Even though the State's appraiser stated the property cannot be used for a hotel based on the size of the lot, the owners disagree and have designs to show it can be utilized for the development of a hotel. Approximately 20 years ago, an MIA appraiser valued the property over \$6 million. Mr. Pursley stated the World Congress Center and the State Properties Commission has had successful negotiations with the other landowners without the threat of condemnation and Mr. Zaglin and Ms. Fetco have not had the same kind of negotiations as the other landowners involved in this project.

Mr. Pursley stated in December 2012, there was a proposal submitted by from Mr. Frank Poe but there was no identified use for the property and no appraisal included. Mr. Zaglin requested details from the GWCCA and received no details. The owner's received an offer \$1.262 in August, 2013 and did not believe the number represented the fair market value or just compensation and deemed it unacceptable. A second offer was received in October for the same amount. Mr. Pursley stated it is difficult to negotiate

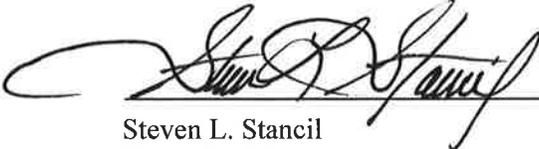
when the State will not pay more than the appraised value, the appraisal is deemed unacceptable by the owners and the appraisal is based on the premise that the property cannot be used for a hotel. The owner's made a counter offer on Wednesday, October 22 and it was discovered that plans were underway to condemn the property. The signs went up on Friday, October 25. There has been no response to the counter offer of \$12.5 million. The owners are aware that other landowners had a difference greater than this and have been negotiated and reached a resolve. Mr. Zaglin did not have that opportunity. Mr. Pursley also stated that a property owner faced with the possibility of a special master hearing and jury trial with thousands of dollars in expenses, which cannot be recovered, is a burden that is disproportionate and suggests that landowners are made to feel the need to cave in. Mr. Pursley would like to see that Mr. Zaglin and Ms. Fetco are treated the same way as the other landowners and be allowed to negotiate in good faith negotiation without the threat of condemnation.

Governor Deal clarified there was other money from other sources involved in purchasing of the properties. Governor Deal stated there is an opportunity for negotiations to continue forward until a special master award or if that's appealed, until a final jury verdict and does not see this as closing the door. This project has a time table and the condemnation allows for the project to move forward leaving the issue of compensation for future determination. Governor Deal encouraged the GWCCA to continue talks with the landowners. Governor Deal asked Mr. Pursley if the owners submitted an appraisal at any time during this process. Mr. Pursley stated no, they have not submitted an appraisal. Secretary Kemp stated it appears that the State's hands are tied since the State is not allowed to pay more than the fair market value. Governor Deal agreed.

Phil Carlock motioned to approve the request to proceed with the action of condemnation. Steve McCoy seconded the motion. The motion carried unanimously.

#### **ADJOURNMENT**

Governor Deal requested a motion for adjournment. So moved by Steve McCoy and seconded by Brian Kemp. Meeting adjourned.



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Steven L. Stancil  
Executive Director, State Properties Commission

## RESOLUTION OF THE STATE PROPERTIES COMMISSION

SPC No. 312.127

**WHEREAS**, the Geo. L. Smith II Georgia World Congress Center Authority (the “Authority”) operates the convention and tradeshow facility known as the Georgia World Congress Center, the multipurpose domed stadium facility known as the Georgia Dome, and other facilities (collectively hereinafter referred to as the “Project”); and

**WHEREAS**, pursuant to O.C.G.A. §§ 10-9-4(a) and 10-9-15(a), the general public purpose of the Authority is to acquire, construct, equip, maintain, and operate the Project in whole or in part, directly or under contract with the Department of Economic Development (“Department”) or others, to operate the Project so as to ensure its maximum use, and to engage in such other activities as the Authority deems appropriate to promote trade shows, conventions, and political, musical, educational, entertainment, recreational, athletic, or other events and related tourism within the state so as to promote the use of the Project and the use of the industrial, agricultural, educational, historical, cultural, recreational, commercial, and natural resources of the State of Georgia by those using the Project or visiting the state or who may use the Project or visit this state; and

**WHEREAS**, the Atlanta Football Club, LLC, owner of the franchise known as the “Atlanta Falcons” (the “Team”), has determined that it is in the best interests of the Team and its fans for the Team’s home field to be relocated from the Georgia Dome to a new multi-purpose stadium (the “New Stadium Project” or “NSP”) to be located and constructed on land that will ultimately be under the control of the Authority; and

**WHEREAS**, pursuant to that certain Project Development Agreement (“PDA”) and that certain Stadium Licensing and Management Agreement (“License Agreement”), both by and among the Geo. L. Smith II Georgia World Congress Center Authority, the Atlanta Falcons Stadium Company, LLC (“StadCo”), and the Atlanta Falcons Football Club, LLC, StadCo will be obligated to design, develop, and construct and partially fund the NSP, and to operate the NSP for an initial period of thirty (30) years with the option of two five (5) year extensions; and

**WHEREAS**, pursuant to the PDA and the License Agreement, the Authority is obligated to make available to StadCo all real property necessary for the construction of the NSP; and

**WHEREAS**, the acquisition of real property is necessary for the Authority to meet its obligation under the PDA and the License Agreement (“Additional Required Parcels”); and

**WHEREAS**, the General Appropriations Act for fiscal year 2012-2013, adopted at the 2012 Regular Session of the General Assembly, provided for an appropriation to the Department for the purpose of financing projects and facilities of the Geo. L. Smith II Georgia World Congress Center through the issuance of general obligation debt of the State of Georgia; and

**WHEREAS**, such general obligation debt has been issued by the Georgia State Financing and Investment Commission to finance projects and facilities of the Georgia World Congress Center identified as GWCC-34; and

**WHEREAS**, pursuant to an agreement dated April 8, 1974, as amended and supplemented, (“1974 Agreement”) the Authority essentially is authorized to act as the agent of

the Department in the acquisition of real property for the Georgia World Congress Center and specifically to acquire, in the name of the State of Georgia, real property for the expansion of the Georgia World Congress Center and to do all other things necessary and incident to the acquisition of real property for such expansion; and

**WHEREAS**, both the Authority and the Commission have unsuccessfully attempted to acquire, through negotiations, that certain parcel more particularly described on Exhibit "A," attached hereto and incorporated by this reference ("Zaglin Tract"), which is encompassed in the NSP Site; and

**WHEREAS**, the acquisition of the Zaglin Tract is necessary to the development and construction of the NSP; and

**WHEREAS**, by resolution of the governing board of the Department at its meeting on November 19, 2013, the Department requested the State Properties Commission under the provisions of O.C.G.A. §§50-16-34(17) and 50-16-44 to perform on behalf of the Department any and all acquisition services necessary to acquire the Zaglin Tract, and without limitation of such request, to acquire by condemnation through the power of eminent domain the Zaglin Tract which has been determined by the Department as necessary for public purposes; and

**WHEREAS**, the State Properties Commission is empowered pursuant to the provisions of O.C.G.A. § 50-16-44 to take or damage private property by condemnation and the power of eminent domain for the public purposes of the State of Georgia; and

**WHEREAS**, pursuant to O.C.G.A. § 22-2-102.1, whenever it shall be necessary for a condemning body to take private property pursuant to any law so authorizing, for any public use, the condemning body shall be the exclusive judge of the reasoning as to the necessities of the public needs; and

**WHEREAS**, upon acquisition by the State Properties Commission, the Zaglin Tract will be placed in the custody and control of the Department and, pursuant to the 1974 Agreement, operated by the Authority.

**NOW, THEREFORE, BE IT HEREBY RESOLVED**, the State Properties Commission, on behalf of the State of Georgia, authorizes the condemnation, by the exercise of the power of eminent domain, of the Zaglin Tract as more particularly described in Exhibit "A" attached hereto and incorporated by reference, for public purposes.

**BE IT FURTHER RESOLVED**, the Executive Director is hereby authorized to do all things necessary and proper to implement the purpose of this resolution, including the execution of any written documents, or to resolve the condemnation action.

**BE IT FURTHER RESOLVED**, that nothing herein shall preclude the Authority or the Commission from continuing negotiations with the owners of the Zaglin Tract if it is determined that further negotiations are prudent.

**AND BE IT FURTHER RESOLVED**, the Attorney General is requested to take such actions and to bring and file such legal proceedings as may be appropriate to condemn the Zaglin Tract.

Adopted this 26<sup>th</sup> day of November, 2013.

STATE PROPERTIES COMMISSION

By: Nathan Deal  
GOVERNOR NATHAN DEAL  
as Chairman of the State Properties Commission

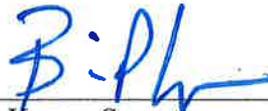
Attest: Steven L. Stancil  
STEVEN L. STANCIL  
as Executive Director  
State Properties Commission

{State Properties Commission Seal Affixed Here}

CERTIFICATE

The undersigned hereby certifies that I hold the position of Secretary, as stated below my signature, of the Board of the State Properties Commission and that the Resolution a true and correct copy of which is attached to this Certificate was duly adopted by the Board of the State Properties Commission at and in a public meeting duly scheduled and for which all public notices required by law were given.

Dated: 11/26, 2013.

  
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Brian Kemp, Secretary

{State Properties Commission Seal Affixed Here}



