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City of East Point
Monthly Meeting Summary
Business and Industrial Development Authority
Thursday, February 4, 2021
Zoom Webinar
East Point, GA 30344
6:30 pm

I. Call to Order

Others Present:

Mr. Rogers (Director of Economic Development), Regina Carter (Secretary/Treasurer), and Kirby Glaze (Legal Counsel), Guest client Richard Randolph III, President & CEO of Bedrock Capital Bond Counsel, Joseph Smith And Bedrock Capital Director of Operations, Alexis Mooney

II. Adoption of Agenda

Mr. Mr. Joseph Johnson motioned to approve the adoption of the agenda. Ms. Gloria Speed seconded the motion.
Approved unanimously, the motion carried.

III. Approval of the Meeting Summary from the following meeting:

January 7, 2021 summary

Ms. Jackie Slaughter Gibbons motioned to approve the summary. Mr. Joseph Johnson seconded the motion. The motion was approved with Ms. Margaret McClure abstaining. Motion carried.

IV. Chairperson's Report

V. Secretary/Treasurer's Report

Ms. Carter gave the financial report of two (2) checks clearing the bank, both payable to Kirby Glaze.

VI. Legal Report

Engagement Letter - Legal

Mr. Glaze noted that included in the Board's package was the Engagement Letter for Legal Services reflecting changes as requested at last month's meeting.

Bedrock Capitol Group

Mr. Glaze asked Maceo Rogers to introduce our guest who will speak to the Inducement Resolution and Agreement that will be before the board for action. Mr. Rogers introduced Mr. Richard Randolph III, President and CEO of Bedrock Capital Group who then introduced his team: Bond Counsel, Mr. Joseph Smith of Alabama and Director of Operations Ms. Alexis Mooney. Mr. Glaze noted that he and Mr. Rogers have been speaking with Mr. Randolph and his team in reference to the facility they wish to build in the City of East Point and the product they have produced. Mr. Randolph proceeded to present information regarding himself and the company.

Mr. Randolph noted that he is a native of Atlanta, Georgia, graduate of Southwest DeKalb High School in Decatur, and, he was recruited to play baseball and football at the University of Alabama on a full athletic scholarship. Most of his adult life has been as an entrepreneur and prior to Bedrock Capital, he served as the CEO of Expedient Investment, a Real Estate Investment firm. At Expedient, Mr. Randolph was responsible for overseeing the renovation of more than 200 single-family homes and the new construction of more than 50 single family homes in the Metro Atlanta area. He then progressed from fixing and flopping properties to currently the development of sustainable building materials under the company EF Block Georgia, Inc., which produces an affordable and sustainable building material designed specifically to withstand disaster activities. This product was made for areas that are prone to undergo hurricanes, tornadoes, wildfires, or seismic activities. EF Block meets FEMA and HUD specs and is slated to launch manufacturing and distribution plants in Georgia, Florida, and Alabama during the 2021 calendar year.

Mr. Randolph gave a little history of EF Block Georgia: they have over 40 years of collective experience within the EF Block family and have been serving the community for 15 years; they have produced millions of dollars in gross sales and built thousands of homes and commercial structures including various McDonalds, Fire Stations, Hospitals, Urgent Care s Bedrock Capital has partnered with EF Block founders Dan and Sue Ellen Chouinard of Arizona to help things come to fruition on the east coast as a sustainable and affordable building material solution. Mr. Randolph further explained that they realize people would love to have home ownership, however, everyone cannot afford it; therefore, EF Block's purpose is to make sure those looking to gain home ownership can have the opportunity to afford a home or even those trying to pursue a commercial business building can do so through using this affordable product. The product is made of 87% recycled expanded polystyrene "Styrofoam" mixed with cement and other green additives. EF Block Georgia wants to be the number one recycler of Georgia and ultimately the world. This product will reduce the carbon footprint and create long-term sustainability in the Southeast Region through their anticipated Georgia Headquarter in East Point, Georgia.

EF Block Georgia, LLC is a subsidiary of Bedrock Capital Group, Inc., a minority owned business extending EF Block operations throughout the country. Their goal is to corner the Southeast Region market starting in East Point, Georgia by servicing the demands they are currently receiving from Tennessee, North Carolina, South Carolina, Florida, Georgia, Alabama, Mississippi, and Louisiana. As CEO of EF Block Georgia, it is Mr. Randolph's responsibility to identify key markets, create brand awareness and properly capitalize for their expansion. Expanding from the west coast has been a two-year process including obtaining a central location that could bring livable wages jobs to the area and support the city that supports them.

Mr. Randolph explained that anytime a new product is brought to Mrket, especially a building material product, certain certifications and licensures must be in place. The International Code Council (ICC) and the International Residential Code Council (IRCC) provide the proper testing and certifications that must be attached and in place for that material. A certified engineering company will provide the letter of approval to submit to ICC and IRCC for building materials, which will give the fire rating, seismic testing rate, and the wind low rate; there must also be proper capitalization. Next, you must make sure you are properly capitalized. Again, as the He noted that as CEO, it is his Randolph's responsibility to ensure they have the proper financiers and resource partners such as Jeff Kervin, President of Troy Bank & Trust; Mr. Kervin has given EF Block Georgia a full letter of support. Mr. Randolph also noted that expansion is virtually impossible without the proper capitalization and you want to make sure you are bringing a product to market that has a demand. The EF Block Georgia not only has a single-family residential demand but also has one in the commercial arena as well. This can be seen through the Green Acres Project taking place in the Los Angeles Airport and Atlanta Hartsfield Jackson Airport. The bid for the project in Atlanta was awarded to Trilogy Financial Group who in turn has chosen, through a Letter of Commitment to use the building blocks from EF Block of Georgia for the purpose of building out the Green Acres Project.

Mr. Randolph then addressed the hopes of centrally locating in East Point on the 12-acre site on Woodberry Ave off Hwy 166. EF Block is currently in Atlanta on White St off Interstate 20 in a 6,000 square foot location in the Historic West End area along the Atlanta Beltline. If they wanted to remain comfortable in a smaller location and not take advantage of the larger demand they are experiencing in the Southeast Region, they would stay where they are. The company's goal is to ensure they can adequately supply the demands of the entire Southeast Region and worldwide from the East Point

Headquarters. However, based on their current demand, they need a larger facility. EF Block is not a regular manufacturing plant, they are a 100% Green company that produces a sustainable building product that reduces the carbon footprint by pulling waste items such as polystyrene, commonly known as Styrofoam, out of the waste stream. These waste stream items are then repurposed through a very confidential proprietary process that does not produce gaseous emission or any gas by-product in the air, nor produce any liquids or fluids into the environment; it is a plug and play manufacturing facility thus they are 100% GREEN. When EF Block Georgia comes in, they come in and make the environment better.

The site that has been selected and is under contract. On this 12-acre site EF Block Georgia has decided to complete a Phase I and Phase II Environmental Assessment to build a 35,000 sf to 50,000 sf manufacturing facility with a 100% Green parking area. The second part of building the headquarters facility of the same size will be based upon demand.

The EF Block Georgia Southeast Headquarters in East Point, Georgia decision was the result of a lot of competition. The site selection came down to three final sites between Atlanta, Birmingham and East Point; however, East Point came out on top, which is why they are presenting to the Board.

Mr. Randolph continued by explaining EF Block Georgia's goals specifically the project goals for this project, which include job creation in this unsure economic environment we live in today. It is their expectation to: create 40 livable direct wage-manufacturing jobs for the citizens of East Point and its residents; create 160 ancillary jobs of engineers, architects, construction, and project managers. He noted that they understand the better the jobs equal quality of living, including the better opportunity to afford homeownership as well as a larger tax base for the City of East Point.

He further pointed out that EF Block Georgia does not come asking for a handout; however, instead they come bearing gifts. Mr. Randolph founded the Randolph Foundation in 2008 for the purpose of servicing the single parent households and he has translated partnerships and resources into philanthropic opportunities for the Randolph Foundation; they have partnered with three other companies to be able to offer a Georgia Home Giveaway. One of the companies out of Los Angeles has pulled together the marketing expense of a raffle program in accordance to Georgia rules, regulations and laws of a Single Family Residence. This raffle will occur once a year in the City of East Point for an East Point resident as a part of the give back component of EF Block Georgia.

Mr. Randolph further noted that their request is simple; they are looking for an industrial revenue Bond for EF Block Georgia, LLC which would allow the company to help propel the City of East Point to greater heights by taking advantage of the tremendous benefits offered through Renewable Energy and Green Infrastructure Programs. Mr. Randolph stated they are looking forward to coming to East Point and making a huge positive economic impact, a philanthropic impact and an environmental impact. Above all their goal is to turn East Point into not only the number one recycler in the State of Georgia but also in the southeast region.

Finally, Mr. Randolph opened the floor for any questions. Mr. Glaze thanked Mr. Randolph for his presentation and also asked for questions.

QUESTION AND ANSWER SESSION

Joseph Johnson asked the following questions of Mr. Randolph:

1. Is the chosen site zoned residential?

ANSWER: The property is currently zoned Industrial, which fits into the business

2. What is the amount of the Bond they are requesting:

ANSWER: \$10 million dollar industrial revenue Bond and they have submitted a Source and Use Budget to East Point's Economic Development Department. Of that, 60% of the budget will construct the facility and the remaining will go toward the cost of equipment and livable job creation.

3. How many jobs are permanent and temporary jobs, and, what is the revenue stream for the permanent jobs versus the temporary jobs. How many jobs are permanent and temporary jobs, and, what is the revenue stream for the permanent jobs versus the temporary jobs.

ANSWER: They do not anticipate creating any temporary jobs. however, they are looking to create 40 new direct

livable wage jobs and 160 ancillary livable wage jobs lasting five to seven years or longer.

4. If the site EF Block has chosen is contaminated would they do remediation?

ANSWER: Absolutely! Currently, EF Block Georgia has spoken with the seller and have started walking the property with their teams and if contamination is found upon a Phase I assessment EF Block Georgia will foot the bill to correct it.

5. The City of East Point is currently participating in a Sedimentation and Erosion Control Act in the State of Georgia. Would the company follow this? To further clarify Mr. Glaze explained that under the Act, the site would have to be designed with an impervious surface so that it would release water to accomplish a net zero surface runoff so that it would not increase the property runoff that exists now.

ANSWER: He has a team of professional architects and engineers that work on each location that comes in on an environmentally friendly aspect as per the set state of Georgia and City of East Point guidelines before they break ground or disturb any land. He also stated he has personally been in real estate for about 16 years, and he has the least amount of real estate experience of the overall team professionals. His team of architects has designed everything from bridges to stadiums whereas his team of engineers has worked with companies like the Georgia Department of Transportation and the general contractor team would have us on the phone for over an hour to discuss their resumes. So, prior to coming in and doing any work on this project, they will obtain all required City of East Point Zoning approvals set by the necessary guidelines.

6. Mr. Johnson continued with a question to Mr. Rogers asking whether any soil analysis has been completed.

ANSWER: The City had not done an analysis or cost benefit on the project at this time; however, a spreadsheet can be done and provided to the Board.

7. Ms. Gibbons then asked Mr. Rogers if the site was a Brownfield site.

ANSWER: No, but it is raw land in the Lawrence Industrial area off Hwy 166.

Mr. Glaze at this point explained that this is the first step in the process of what the Board needs to do in considering an Inducement Resolution and an Inducement Agreement. Basically, the company locates in the City of East Point and the Authority is prepared to issue the Bonds for the project. It will still be incumbent upon EF Block Georgia to put the financing in place i.e., find a purchaser of the Bonds, such as through Troy Bank or another bank. In the meantime, the Authority can do a cost benefit analysis on the project in terms of the jobs based on the revenue they have created. In doing a Bond issue, we are aware there are two potential benefits to the company for this project. Since it is a manufacturing project, Mr. Glaze stated he would have to defer to EF Block's Bond Counsel and say it would be eligible for tax-exempt financing. Therefore, the interest rate on the Bonds would be below market rate and because it is being done through the Authority, they would be entitled to tax abatement (ad valorem tax abatement) the same as any other Bond deal completed by the Authority. Should the Board wish to move forward and approve the Inducement Resolution, Mr. Glaze and Mr. Rogers can provide a financial analysis of cost benefits prior to the issuance of the Bonds.

Ms. Kristin Jackson Pritz proceeded at this point with questions for Mr. Randolph.

8. What does Mr. Randolph mean by livable wage job?

ANSWER: They have measured or quantified it based on what they have done in the state of Arizona and in Baha, Mexico (surname California). Their partnering office in Tempe, AZ is currently the largest recycler in the state of Arizona as far as using polystyrene, which makes up 33% of landfills worldwide. Therefore, they participate on about 33-35% of all waste streams. When you start recycling polystyrene as far as clean Styrofoam is concerned, if you are reducing the carbon footprint by that large amount it automatically because it is one of the most used pieces of waste it automatically causes you to increase as far as the total recycling of what you pull from the waste stream. Therefore, by recycling Styrofoam you are automatically going to be the largest recycler in the state.

9. What about the energy involved in recycling at this place? Will the recycling portion of creating the blocks be done at the East Point Facility or done somewhere else?

ANSWER: It will be done on site at the EF Block Georgia location in East Point. They have a total electric process that uses a mixer, a granulator, a pre-crusher, and a crusher that will not require heavy labor using hammers or sledgehammers. Instead, they require machines that are plug and play powered directly from the facility. These machines crush the Styrofoam until it turns into granulized pebbles, then the pebbles are covered in Portland cement. The mixing of the pebbles and the cement helps prevent any emissions to come from the Styrofoam transformation process.

10. Is there an estimated amount of utility usage this facility will generate for the City of East Point?

ANSWER: Yes, they do have some estimates of their utility usage; however, he will have to send that to Mr. Rogers.

11. Mr. Randolph has told the Board one of company's goals is to increase homeownership; however, all she has seen thus far is the raffling of one home per year. How does that increase homeownership if you are only affecting one family with one home per year?

ANSWER: The cost of the overall product reduces the cost of any project, whether the project is residential or commercial by 25-37% on average. Therefore, with that amount of cost reduction the developer can pass the savings on to the end user. Therefore, the end user does not have to pay \$250, 00 to \$300,000 for a home, whereas they can be charged closer to \$150,000 to \$175,000 for a home. At the lower cost of construction, more buyers overall will be able to purchase not just one person winning a raffled home. EF Block Georgia's goal is to provide a sustainable building solution at a less expensive product, which will afford more people the opportunity to homeownership.

12. The strategic planning that we have for the city has been focused on higher density housing, which does not necessarily lend itself to homeownership but instead more rental units, apartments, or maybe condos. What ensures that a builder will use your product over others?

ANSWER: EF Block has what is called a R40 rated product that gives them the ability to taut a certain characteristic and specific attributes. California and Florida in 2020 both states required building materials to move to R40 rated products no matter what you are building and no more sticks and bricks R40 rated products ONLY! It is projected that by 2032 all entities worldwide will have to use R40 rated products. Whoever has the brand recognition, the brand integrity, and is known for doing it will be the product that will be in the highest demand. This product can not only be used for single family structures but also for high density products as well including apartments, condos, townhomes, etc. The same rules and regulations for the R rating will apply; EF Block product will fit right into the East Point 10-year Comprehensive plan.

13. How many employees do you currently have at the West End location? What guarantees do they have that their jobs will go to East Point residents?

ANSWER: They currently employ 10 persons and will upscale to 50. They cannot guarantee East Point residents will be employed in their available positions; however, their team just had a roundtable to discuss that very question. They have come up with a possible decision to get with East Point's Economic Development Department to host a job fair aimed specifically toward the residents of East Point to give them the opportunity to apply for the positions.

14. Is the EF Block Georgia site contract dependent upon the outcome of the Phase I Assessment?

ANSWER: Yes and No. If the assessment comes back that the site was a chemical waste plant some 100 years ago then no we would not want to move forward with the project on that site. However, if it comes back that the site just needs clean up remediation, which EF Block can do in a reasonable amount of time and the city can approve it. EF Block will make sure all items are taken care of and they will move forward with the project.

15. Is the EF Block Georgia site contract is dependent upon a positive outcome of the BIDA Bond inducement?

ANSWER: Yes, It would heavily affect their decision. They have had a lot of opportunities to go to other locations that did not offer a Bond deal; however, Mr. Randolph stated he is a native of Atlanta born and raised an he would love to be close to home; it will be fun, and it is in their backyard. This will be a great story and it makes for a cleaner

environment with regards to what East Point can taut. We would love to do it in East Point regardless, but it is going to be more prudent and more advantageous to do it here based upon the Bond.

Ms. Pritz commented that she feels the company is amazing and loves that it is innovative, is a green product and that they are doing something with Styrofoam, which no one really does unless it is something like a boutique small product that nobody uses. Ms. Pritz continued that, however, her main concerns are that we are only creating about 25 livable wage jobs, developing an area that has not been used before so we are not repurposing an existing warehouse space, yet we are making these impervious surfaces. Ms. Pritz further commented that understanding that there are restrictions on how much water runoff is allowed, She feels the community benefit piece could be a little better and that it is all indirect except for the one home that will be built and raffled off. Ms. Pritz then requested the financial projections about the tax abatements and how much utilities would be generated before she votes.

Mr. Joseph Johnson commented that the spreadsheet would have everything Ms. Pritz was requesting. He then noted that Tempe and Mesa Arizona have had the type of construction Mr. Randolph is referring to for years. He commented further that the current US President is pushing for a clean environment, thus, there will be grants that the City will be able to apply for in conjunction with improvement of our downtown area.

Mr. Johnson motioned to authorize a Bond Inducement Resolution and Agreement of ten million dollars (\$10,000,000.00) for this project; motion seconded by Ms. Jackie Slaughter Gibbons. **The motion was approved with Ms. Kristin Jackson Pritz opposing. Motion carried.**

Mr. Glaze noted the project would still have to come back before the Board for the actual approval of the Bonds themselves and a Bond Resolution and Agreement. He further noted that the primary purpose of the Inducement Resolution and Agreement is that some of the cost incurred by the company going forward, if and when the Bonds are finally issued, will be allowed to be included in a tax-exempt Bond issue. However, without an Inducement Resolution and Inducement Agreement, this may not be included. Therefore, it is an incentive to the company to locate within the City of East Point and serve as a trigger point for a tax liability on the Bonds for the cost they may incur going forward. Joseph Smith, Attorney for the company, concurred with Mr. Glaze's opinion.

In response to Ms. Byrom's question regarding a timeframe for receipt of the information requested from Mr. Glaze and Mr. Rogers, Mr. Glaze advised that it may take some time to gather, however, they can complete the analysis of the impact in terms of the ad valorem taxes but getting the LOCI outcome will take the longest time. The LOCI will need additional information from Bedrock Capital including the wages and the number of jobs. Mr. Glaze concluded that he hopes to get most information back to the board prior to the next meeting.

Mr. Glaze stated the project would still have to come back before the Board for the actual approval of the Bonds themselves and a Bond Resolution and agreement. In addition, the primary purpose of the Inducement Resolution and agreement is that some of the cost incurred by the company going forward with the project if and when the Bonds are finally issued will be allowed to be included in a tax-exempt Bond issue. However, without an Inducement Resolution and inducement agreement this may not be included; therefore, it is an incentive to the company to locate within the City of East Point and serve as a trigger point for a tax liability or for a tax ability of the entry on the Bonds for the cost they may incur going forward. Attorney Smith agreed with Mr. Glaze's statement.

VII. Old Business:

None

VIII. New Business:

None

IX. Adjournment

Having no further business, a motion made by Ms. Jackie Slaughter Gibbons and seconded by Mr. Joseph Johnson to adjourn. The motion passed unanimously, and the meeting adjourned at 7:28 pm.

This summary was approved by Board Members In attendance on March 4, 2021:



Regina T. Scott-Carter
Secretary/Treasurer
March 4, 2021