

INVEST ATLANTA

Resolution Fact Sheet

EXECUTIVE SESSION MATERIAL
ATTORNEY/CLIENT PRIVILEGED

Resolution to authorize the General Counsel to settle all attorneys' fees claims in litigation *Clark Atlanta University, Inc. v. The Atlanta Development Authority d/b/a Invest Atlanta*, Civil Action File No. 2014-CV-251114, now on remand to the Superior Court of Fulton County.

Background: Invest Atlanta acquired 18 parcels (± 25 acres) on the north side of Martin Luther King, Jr. Drive from the Morris Brown College Bankruptcy estate in August 2014, for approximately \$11 MM in Westside TAD Funds. The purpose of the acquisition was to preserve the important MLK gateway, catalyze economic development in the MLK corridor, create an environment for redevelopment in WTAD, and empower Morris Brown College (MBC) to exist on a smaller footprint. The parcels acquired by Invest Atlanta are all located within the boundaries of the City of Atlanta's Westside Tax Allocation District and Redevelopment Area and the expenditures were made in accordance with the Redevelopment Powers Law.

Of the total acquired, 3 parcels (± 12 acres) were alleged to be encumbered by certain reversionary rights held by Clark Atlanta University (CAU). After attempts to negotiate with CAU for the reversionary rights were unsuccessful, CAU filed an action in Fulton County Superior Court against Invest Atlanta seeking a declaration that the parcels had reverted to CAU. The Supreme Court of Georgia issued an Opinion on March 7, 2016, affirming the trial court's ruling and establishing that CAU had a valid reversionary interest in the 1940 Deed. In June, 2018, based upon the legal determination of the Courts, Invest Atlanta tendered the reversionary property to CAU. The remaining issue on remand back to the Superior Court is the amount of attorneys' fees to be awarded to CAU.

The parties entered into mediation on November 30, 2018 and have subsequently agreed to a payment of \$725,000, subject to approval by the IA Board of Directors.

FINANCIAL IMPACT: \$725,000 to be paid from the WTAD Special Fund.