

The Fulton-DeKalb Hospital Authority/Grady Renovation of Ponce De Leon Center

Summary of Obligations, Rights and Accountability Measures

September 14, 2021

In order to provide some additional information regarding the \$8 million Fulton investment in the Ponce de Leon Center renovation project (the “Project”), the below outlines relevant obligations, rights and responsibilities of Fulton County, FDHA and GMHC in the Ponce de Leon Contract and Development Agreement to be entered into by the respective parties.

The Ponce de Leon Contract

- The Ponce Contract is an agreement between Fulton County and FDHA.
- The Ponce Contract requires Fulton County to make payments to FDHA in amounts equal to the debt service required on the certificates.
- The FDHA will make the certificate proceeds available to GMHC in order to complete the renovation of the Ponce infectious disease facility.
- Prior to the issuance of the certificates, GMHC has committed to provide evidence that it has raised at least \$12 million in private funds from donors, commitment or pledges or from its own corporate funds, and which are restricted for use in the Project.
- GMHC has also committed to complete the Project with its own funds and will be responsible for any Project cost overruns.

The Development Agreement

- The Development Agreement will be entered into between GMHC and FDHA and will govern the renovation of the Project.
- GMHC will have complete control over the design, development and budget of the Project.
- GMHC will make a good faith effort to achieve 20% MFBE utilization in the design and development of the Project.
- GMHC will submit copies of all Requisitions to the FDHA for signature, which must be provided within 10 days of receipt. The FDHA has the right to dispute a Requisition and there are procedures for addressing any disputes, which mirror the procedures in the CASS Development Agreement (presentation to the GMHC Building Committee and binding arbitration).
- GMHC has agreed to pay for any project cost overruns.

Additional Information

- The cost of the Project is estimated to be \$35 million.
- GMHC has already invested \$8 million of its own funds in the renovation of the Project.
- DeKalb County has already approved a \$4 million investment in the Project and they are waiting for the Fulton Board of Commission to approve the Fulton portion prior to DeKalb disbursing any funds.
- The FDHA will utilize US Bank as the project fund custodian to hold and distribute Project funds that go through the Requisitions process.