



# *Board of Memphis and Shelby County Community Redevelopment Agency*

CITY HALL 125 NORTH MAIN STREET, SUITE 468, MEMPHIS TENNESSEE 38103-2084 (901) 576-6610

## MINUTES

**Meeting of the Board of Directors**

**125 N. Main Street, City Council Chambers – City Hall Lobby**

**Date: March 26, 2015**

### Meeting Attendance

#### **CRA Board Members**

OFFICERS/MEMBERS	NAME	PRESENT	ABSENT
Chairman	Michael R. Frick		X
Secretary	Ann Langston		X
Treasurer	Shawn Thomas	X	
Vice-Chair	Deborah Massie	X	
Member	Luke Hill	X	
Member	John Smith		X
Member	McKinley Martin	X	

**Legal Staff:** Cheryl M. Hearn (HCD/Legal), City Attorney

**DPD/CRA Staff:** Josh Whitehead, Planning Director; Clara Harris, Principal Planner; Verlean Kelly, Landmarks Secretary.

**Visitors:** Greg Martin, Tanja Mitchell, Alexandra Mobley, Valerie Peavy, Josh Poag, Wayne Risher and Bob Rogers.

#### **I. Call to Order**

By: Vice Chair Deborah Massie

Time: 8:51 A.M.

#### **Agenda Item II.**

Item Summary:

Approval of CRA Board Meeting Minutes – February 5, 2015.

Discussion Summary:

Board Member Hill made a motion to approve the Board Meeting Minutes from February 5, 2015. The motion was seconded by Board Member Martin. Motion passed unanimously.

#### **Agenda Item III.**

Item Summary:

Assignment of Ownership Entity for Highland Row Project.

Discussion Summary: Bob Rogers gave a brief history of the Highland Row Project and made it know they were at the point to finalize closing on the construction loan. He stated that both legal counselors have reviewed and prepared a Resolution for approval to proceed with the project that started 7 years ago. Both Legal Counselors were on Conference Call. Both agree and noted that the process of Assignment of Ownership for the project was more or less a name change from "Poag and McEwen Lifestyle" to Highland Row, LLC. Tad Miller and Josh Poag would be the (2) signing authorities on the Assignment Agreement. Also, Greg Martin requested that the Redevelopment documents be revised to extend the parking garage completion date of August 2015. Due to the weather, a few more months were needed. He stated that the all Bond Documents will be ready for Board approval within 2 weeks. Both Legal Counselors stated they would have to review the documents to determine a Closing date.

Board Member Hill made a motion to approve the Assignment of Ownership Entity for Highland Row Project. The motion was seconded by Board Member Martin. Motion passed unanimously.

#### **Agenda Item IV.**

Item Summary:

Committee Recommendation/Resolution approving CRA Uptown Round II Single Family Rehab Grant Awards.

Discussion Summary:

Clara Harris noted for consideration and recommendation for approval from the Policies & Procedures Committee, the CRA Board had a Resolution with 20 recommended Rehab Projects. She added that there were (7) seven properties with known title issues and possibly even more. Clara stated that for approval, the Resolution should be revised to include language like "Provisional Approval pending clear title". Clara Harris also stated during application review it was discovered that some of the single-family residents are also historic structures and material appropriate to historic structure should be used in the rehabilitation. Ms. Harris noted that the additional cost of materials could be taken from the contingency line item of the budget for the Round II Single-family Rehab Program. Clara Harris and Board Member Massie agreed there should be a timeframe for ALL requirements being met to issue Grant Awards. Board Member Massie suggested to include the language in the Resolution that "ALL Single-family Rehab Policies and Procedures requirements [including Title Issues] must be met within 60 days of the Award Notice for funds to be issued."

Board Member Martin made a motion to approve the CRA Uptown Round II Single Family Rehab Grant Awards with the suggested

changes. The motion was seconded by Board Member Thomas. Motion passed unanimously.

**Agenda Item V.**

Item Summary:

Committee Recommendation/Resolution approving Amendment to Policies and Procedures for the CRA Uptown Single Family Rehab Program – Completion of Work on Rehab Projects in three (3) months instead of 12 months.

Discussion Summary:

Board Member Massie reported that the Policies and Procedures Committee met and agreed that 12 months was too long due to auditing purposes. Clara Harris stated the language change as: “Completion of work on Rehab Projects must be completed within (3) three months of Grant Closing with CRA or CRA Designee. The (3) three months begins once the Construction Grant Agreements are fully executed and Notice to Proceed with work is issued. Also, CRA Staff approves any exceptions to the (3) three months.

Board Member Hill made a motion to approve the Amendment to Policies and Procedures for the CRA Uptown Single Family Rehab Program – Completion of Work on Rehab Projects in three (3) months instead of 12 months. The motion was seconded by Board Member Martin. Motion passed unanimously.

**Agenda Item VI.**

Item Summary:

Acquisition of 544 Jackson Avenue.

Discussion Summary:

Clara Harris gave a brief background of the parcel and noted that Staff is requesting the Board approve the resolution presented by Staff for purchase 544 Jackson for the record. She also stated that in August 2014, CRA Board approved a Resolution regarding policies and procedures for expenditures for land acquisition which included policy that all land acquisitions with cost over \$100,000 would require review and approval by the CRA Board. Ms. Harris stated that the acquisition of 544 Jackson Avenue [Chism Trial] is to be \$710,000. Ms. Harris noted that during the time of inclement weather and the CRA Board did not meet and re-scheduling the meeting with a quorum of members proved difficult, a submission was made to purchase the parcel and CRA Staff approved the purchase. She added that the check was picked up on March 25<sup>th</sup> and closing date is expected for March 31, 2015. The parcel was appraised for \$710,000 which was also the purchase price.

Board discussion centered on if the purchase price was fair market price, how many appraisals were obtained and which appraisal firm was used. It was noted that it was appraised value/fair price and CRA staff concluded that it was best to

proceed with facilitating expenditure of funds for the purchase after reviewing the documents per the policies and procedures and considering that this parcel is part of deal for multiple parcels to develop the Uptown Center; which has been a part of the Uptown Plan/Project since its origin, and subject of various meetings of the Board/board actions. Vice-Chair Massie stated for the record that she understands why the Staff made the decision to approve the expenditure – the tone of the Board has been not to impede development and not stop progress and in this instance the closing date was set for the 17<sup>th</sup> (of March), then the 27<sup>th</sup> and now 31<sup>st</sup>.

Board Member Martin made a motion to approve the Acquisition of 544 Jackson Avenue. The motion was seconded by Board Member Thomas. Motion passed unanimously.

#### **Agenda Item VII.**

Item Summary:

Discussion Summary:

Report: AHDI Program/Policies and Procedures.

Clara Harris reported that in response to question from the previous CRA Board meeting – Whether or not the AHDI Program Policies and Procedures include policy regarding determination of at what point new houses numbering greater than three can be constructed under the Program if P&P states that no more than three houses can be under construction or for sale at a time? Policies and Procedures Committee reviewed the AHDI Policies and Procedures and found the Policies and Procedures are adequate as P&P states that CRA Board and Banks are to approve house construction above three houses either under construction or for sale at any one time.

Clara Harris asked Alex Mobley to provide an update on the AHDI Program – Ms. Harris noted that Staff has facilitated actions up to funding of the escrow accounts and asked about work remaining to be done to get to closing and began construction. Ms. Mobley stated that at this point there is the problem to be resolved regarding back taxes on the three lots before the Project can move forward. Ms. Harris asked if the MOU did not resolve this problem how would this impact the other housing programs using other MLB, Uptown-held parcels. Ms. Mobley stated that same problem would impede those programs. Ms. Mobley also noted that there is also a State suit against MLB/all delinquent tax payers in Shelby County but she is hopeful the tax issue with the three AHDI parcels will be resolved in the next week.

#### **Agenda Item VIII.**

Item Summary: Report: Master Developer Concept/Status of Uptown Master Developer Agreement/Uptown Redevelopment Projects.

Discussion Summary: Clara Harris reported that MHA Representatives would not be available to report on this item due to another meeting they are required to attend. Alex Mobley provided a summary of the Status of the Uptown Master Developer Agreement. She explained that the Master Developer Agreement with MHA was continued and includes 12 components of previously approved projects which has been approved and funded. Each of the components has different expiration dates with the longest being December 31, 2016. She noted that the current Master Developer are not authorized to work on any new projects that has not been presented, approved and funds allocated by the CRA Board for MHA. Alex Mobley added that the Master Developer will continue to work on the Uptown Center, AHDI, Uptown West, the remaining Rehab Programs, etc. which has different expiration dates through December 31, 2016.

**Agenda Item IX.**

Item Summary: Unfinished Business.

Discussion Summary: None

**Agenda Item X.**

Item Summary: New Business – Discussion of Proposed CRA-EDGE Consolidation.

Discussion Summary: Josh Whitehead gave a background and briefing on the proposed consolidation. He stated from Sept. 2012, Heritage Trails [applicant] submitted an application to the CRA for a City of Memphis initiated TIF District which ended up with a meeting with the Mayor. The CRA TIF Review Committee at the time, had concern with such a large TIF area with so many active PILOTS as well as future PILOTS. The TIF Review Committee saw a potential conflict of the PILOTS & TIF and the Entities which grants the incentives. December 2012 Mayor Wharton assigned a Special TIF Processing Review committee to look at the conflict between PILOTS and TIFs. March 2014, a study was done by PGAV Consulting which its findings from the 70 page document reported there were potential conflicts between TIFs and PILOTS. It was recommended that having the same Entity that issues both the PILOTS and TIFs would resolve the conflict without changing or implementing some form of TIF Legislation.

Josh mentioned (3) TIF Legislations in TN which currently operates: 1) Community Redevelopment Act of 1998; 2) Housing Authority TIF legislation of 1938; and 3) IDB which is now administered by the EDGE for Memphis & Shelby County. EDGE has the IDB ability to issue both PILOTS and IDB TIF. So, after review of the EDGE tasks, it seems better for EDGE to issue CRA TIFs as well. Thus the proposal is to merge the Staff of CRA with EDGE. The merger actions would include the EDGE Board becoming the CRA Board – current Board Members would be asked to resign with possibility of some being asked to serve as Committee members. Mr. Whitehead reviewed state, county, and city actions required to merge CRA with EDGE.

Vice-Chair Massie asked about schedule/timing of activity to merge CRA with EDGE. Mr. Whitehead responded that the staffing could occur at any but plans are that EDGE staff would become CRA Staff with current CRA staff assisting with transition to EDGE then returning to staff position with OPD. Mr. Whitehead stated that the earliest Board and staffing would change over would be July 1, 2015 according to EDGE CEO.

Ms. Valarie Peavy, an Uptown business-owner asked if the consolidation of CRA with EDGE would result in preventing planned redevelopment activity in the Uptown neighborhoods; and would Uptown residents and business-owners be informed and included in any public meetings regarding the consolidation of the two agencies. Mr. Whitehead responded that the consolidation would not impact planned redevelopment activity. As stated earlier, by the Master Developer, Lauderdale-Greenlaw, LLC contract expires with MHA December 2016 and redevelopment activity will continue per that agreement.

Board Member Hill asked if the consolidation of CRA and EDGE would impact the Uptown Rehab Coordinator position, what would happen to Tanja Mitchell's position. Mr. Whitehead responded that Ms. Mitchell is an employee with Promise Development Corporation and reports to Lauderdale-Greenlaw, LLC. Mr. Whitehead explained that she would probably be most affected by a change with the Master Developer and not the change in the CRA Board.

Vice-Chair Massie asked for confirmation that tax increment revenue collected in the Uptown Redevelopment Area would be used only for redevelopment in Uptown and not Crosstown or other areas. Mr. Whitehead confirmed that tax increment revenue

collected in Uptown Redevelopment area can only be used in Uptown Redevelopment Area.

**Agenda Item XI.**

Item Summary:

Next Meetings – CRA Committee Meeting 4/16/15; CRA Board Meeting 5/17/15; Material due 4/3/15.

Discussion Summary:

Clara Harris stated that attendance poll for the April 2, 2015 Board meeting did not yield a quorum. Lauderdale-Greenlaw Representative stated there was not a request for Board consideration for April meeting. Highland Row documents will not be ready for two or more weeks, so Clara Harris stated there will not be an April Board meeting and the next Board meeting will be held May 7. Ms. Harris stated that she would reach out to MHA to determine if there is a need for an April Committee meeting.

**Agenda Item XII.**

Item Summary:

Adjournment.

Discussion Summary:

Meeting was adjourned at 10:13 a.m.

Respectfully Submitted By:

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Ann W. Langston, Secretary