



# *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: June 4, 2015**

### Meeting Attendance

#### **CRA Board Members**

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

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

**DPD/CRA Staff:** Josh Whitehead, Planning Director, Mary Lynn Seale, Finance Manager, Clara Harris, Principal Planner and Marion Jones, Planner.

**Visitors:** John Dudas, Tanja Mitchell, Alex Mobley and Luretha Phillips

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

By: Chairman Michael Frick

Time: 8:40 A.M.

### **Agenda Item II.**

Item Summary:

Approval of CRA Board Meeting Minutes – May 7, 2015.

Discussion Summary:

Board Member Massie stated that she noted some grammatical changes needed and would pass marked up copy of minutes to Staff. Board Member Luke Hill directed attention to page three (3), paragraph three, item 1 of the minutes and asked that language regarding risk involved with bond issue be clarified. Chairman Frick provided the following clarification: The default risk resides with the Purchaser of the Bonds and the CRA is acting as a conduit. Mr. Hill stated that the clarification was perfect. Clara Harris corrected wording of item 2 of the same paragraph – stating

that in an effort to summarize the statement by Mr. Frick the words “Bond Counsel Richard Miller recommended approval” is not appropriate/correct. Mr. Frick actually stated that Mr. Miller has reviewed the documents, negotiated and is looking out for the interest of CRA. Chairman Frick agreed and Mr. Hill noted correction was perfect. Clara Harris also stated that on page three, paragraph four, the following information should be added: “, to make clear that placement agent is not fiduciary to CRA but an independent agent. Mr. Miller pointed out that item “II Disclosures Concerning the Placement Agent’s Compensation” should be revised to reflect \$150,000 as Mr. Greg Martin has negotiated down the compensation for placement agent services – the letter to be signed by Chairman Frick should include that amount. Clara Harris stated that CRA Bond Counsel, Mr. Miller instructions were to attach to the minutes as part of the minutes record: 1) the documents emailed to the Board prior to the May 7, 2015 Board meeting and new information prepared by Highland Row, LLC and presented during the Board meeting regarding final numbers for transaction assuming a 7/15/2015 closing – “Memphis and Shelby County Community Redevelopment Agency Redevelopment Revenue Notes, Series 2015 (Highland Row Area Project) 5/6/15 Final Numbers”, and 2) documents as revised by Bond Counsel reflecting changes made as a result new information presented by Highland Row, LLC during the May 7 meeting and approved by Board and other minor revisions made by Bond Counsel. Chairman Frick suggested Board go ahead and approve the minutes of the May 7, 2015 meeting with changes discussed and have Ms. Harris re-circulate revisions to Board Members to see if changes captured/any tweaks or minor changes needed. Board Member Massie made a motion to approve the minutes with clarification, changes, and additions as stated. Board Member Hill seconded the motion. Motion passed unanimously.

**Agenda Item III.**

Item Summary:

Update – Uptown Redevelopment Activity.

Discussion Summary:

Chairman Frick asked if any grass cutting had been done. Mr. Dudas and Ms. Mobley responded – yes. John Dudas presented an update on all of the Uptown Redevelopment Activity. It covered (5) five areas listed below:

1. Infrastructure Projects
2. Building Rehabilitation Projects
3. New Housing Construction
4. Uptown Center
5. Special Projects

Chairman Frick asked about the status of looking into improving all of the alleys in Uptown Redevelopment Area not previously improved as part of the redevelopment activity. Mr. Dudas and Ms. Mobley responded that preliminary review of the area has been completed by SR Consulting and Bob Ginn. Request for re-allocation of funds to Area-wide Infrastructure is on the agenda today in order to have funds available for design and construction for the additional alley work.

Clara Harris stated that all of the resolutions for consideration today are in draft form as she stated in email transmitting meeting material to Board Members– all of the resolutions need work such as double check of figures, funding pots & line items as well as other change some of which she will mention as Board progress through the agenda. Ms. Harris added that should the Board choose to approve items, she is requesting that Board will approve subject to Staff review and corrections. Ms. Harris also stated that she thinks there is a need to have some clean-up items on the agenda in the near future to rescind some resolutions to reconcile and account for programs that will not be implemented and better document where/how funds are expended – she will consult Attorney Hearn with reference to rescinding resolutions.

Chairman Frick stated that August could be the last meeting before transiting to the EDGE and directed that for the next CRA Board Meeting and prior to transitioning documents/files to EDGE that a report be prepared showing the following:

1. The entire Uptown Program Activities
2. Budget authorized/approved by County Commission & City Council
3. Funds Appropriated by CRA
4. Funds expended
5. Funds that currently remain in the budget
6. Master Reconciliation Spreadsheet of the financials of Uptown and have it reviewed and approved by CRA Board

John Dudas made the Board aware that Lauderdale-Greenlaw, LLC's contract with MHA expired on March 31, 2015 but an agreement had been made between Lauderdale-Greenlaw, LLC and MHA, a Continuing Activities Agreement to finished projects that are in progress. Projects under the Continuing Activities Agreement are to be completed by December 31, 2016. Mr. Dudas stated that the Multi-family Rehab Program was not included because they felt like that project could not be completed in the time-period, but could be picked up sometime in the future. Chairman Frick requested that a copy of the agreement between

Lauderdale-Greenlaw, LLC and MHA be sent to Clara Harris so she can circulate to CRA Board Members along with the minutes.

**Agenda Item IV.**

Item Summary:

Resolution to Re-allocate \$757,936.72 from NS4 A to NS11 for Demolition and Site Prep; and Phase 3 Alleys, Sidewalks, Trees/Lighting.

Discussion Summary:

Clara Harris explained that the resolution reflects the request from MHA & Developers that all of the remaining funds in NS4A: Multi-family Rehab Planning be re-allocated to NS11: Area-wide Infrastructure, to be used for demolition/environmental/site prep, Phase 3 Alleys, sidewalks, trees, and lighting.

Chairman Frick suggested finding a way to improve all of the alleys within the 18 months period. Mr. Frick stated that business owners and residents are concerned about the benefit of redevelopment district to them and area.

Board Member John Smith asked Ms. Mobley to explain the notation on the Source of Funds page – “Developer Fee is based on the \$689,033.38 of work items listed in part 11 above and does not include other activities that may be undertaken in connection with the Auction Street Commercial Revitalization Project or future additional Uptown project activities.” After discussion between developer, Board Members, and Staff, it was decided that Auction Street Revitalization did not have anything to do with this or any of the resolutions on the agenda and that the notation would be deleted from the resolutions. Chairman thanked Board Member Smith for the observation.

Board Member Massey made a motion to approve the Resolution to Re-allocate \$757,936.72 from NS4 A to NS11 for Demolition Environmental and Site Prep; and Phase 3 Alleys, Sidewalks, Trees/Lighting subject to any revisions necessary upon CRA Staff review. The motion was seconded by Board Member Smith. Motion passed unanimously.

**Agenda Item V.**

Item Summary:

Resolution to Re-allocate \$385,000 from NS4 B [Multi-family Property Rehab] to NS9 [Uptown West Part II for Pumping Station Parking Lot/Sidewalk].

Discussion Summary:

Board Member Hill wanted to know the driving force behind the need for a Parking Lot/Sidewalk since it was not in the original Plan.

John Dudas explained that this project is part of would reduce the number of Pumping Station driveway crossings on the west side of Front Street from three to one, so the proposed walkway along the west side of Front Street would be safer and more pedestrian friendly. A parking lot for employees would be constructed on the public ROW of a former street located immediately south of the Pumping Station - parking lot to contain 20 spaces.

Board Member Massey made a motion to approve the Resolution to Re-allocate \$385,000 from NS4 B [Multi-family Property Rehab] to NS9 [Uptown West Part II for Pumping Station Parking Lot/Sidewalk] subject to any revisions necessary upon CRA Staff review. The motion was seconded by Board Member Langston. Motion passed unanimously.

**Agenda Item VI.**

Item Summary:

Resolution to Re-allocate \$315,000 from NS4 B [Multi-family Property Rehab] to NS19, Part 5 [TIGER – Main to Main Project] to Complete Segment 1.

Discussion Summary:

Clara Harris gave a brief overview of the resolution and stated that the funds are being requested by the developer to complete Segment 1, because they do not think TIF funds or adequate funds will be remaining under the City Main to Main Contract. Ms. Harris noted that any funds not used under the City contract with Contractor, Zellner for the Main to Main Project would return to the CRA. Alex noted that she expects all of the funds to be used but would stay in contact with Mary Lynn Seale.

Board Member Massey made a motion to approve the Resolution to Re-allocate \$315,000 from NS4 B [Multi-family Property Rehab] to NS19, Part 5 [TIGER – Main to Main Project] to Complete Segment 1 subject to any revisions necessary upon CRA Staff review. The motion was seconded by Board Member Langston. Motion passed unanimously.

**Agenda Item VII.**

Item Summary:

Resolution to Re-allocate \$212,977.46 from NS4B [Rehab Programs: Construction Oversight and Developer Fees] to NS14 [North of Chelsea] funding for KIPP School Infrastructure Improvements: including School Property Access, Traffic Circulation & Construction of Parking Facilities.

Discussion Summary:

Clara Harris gave a brief explanation of the proposed resolution and after counsel with CRA Legal [Cheryl Hearn] that there was a need for “Findings” for the proposed project. She further noted there should be a letter of approval from the Shelby County Schools as well as a copy of the “Agreement” between the Shelby

County Schools and KIPP, since the building/site is being leased. Clara added that the “Vision Plan” needed approval as part of this Resolution and a detailed outline of what was being funded.

John Dudas stated that the need for the Re-allocation was basically a safety issue and circulation on the school grounds as it relates to students being dropped off, faculty parking and students walking/crossing the streets to get to the school.

Board Members expressed concerned about a budget for the overall vision plan as well as did not want to approve funds for a project when school/site may be closed. Board Members were also concerned about whether the level of funding requested would make an impact enough to contribute to the overall project. Chairman Frick suggested that, if Board approved, to only use the funds for streets and sidewalks infrastructure for the area immediately around school and Promise Housing Project and asked that developer provide a copy of the lease agreement between Shelby County Schools and KIPP School.

Board Member Massey made a motion to approve the Resolution to Re-allocate \$212,977.46 from NS4B [Rehab Programs: Construction Oversight and Developer Fees] to NS14 [North of Chelsea] funding for streets and sidewalks infrastructure around school and Promise Housing Project subject to any revisions necessary upon CRA Staff review. The motion was seconded by Board Member Smith. Motion passed unanimously.

### **Agenda Item VIII.**

Item Summary:

Discussion Summary:

Remaining Balance in NS4B

Clara Harris reported that per Mary Lynn Seale’s accounting and taking into consideration all of the re-allocation requests, there would be \$200,000+ left in NS4B excluding funds for Single-family Rehab and Developer Fee. Clara Harris stated that her initial thinking was to place the remaining funds in NS4B in a fund for future projects as this was something done in early time in the Program. Since the initial thinking there has been an inquiry to use TIF funds for a project in the area; and developer has indicated they want to use funds for a Commercial Rehab grant for essential services in the amount of \$500,000 for grocery store incentive. Ms. Harris reminded the Board that though the Commercial Rehab grant for essential services is part of the second Uptown Plan amendment, a mechanism, policies and procedures were never developed to award the grant – as stated in the Plan amendment, the Commercial Rehab grant for essential services is under the existing Commercial Rehab Program and will not work without

some adjustments to those policies and procedures. Ms. Harris stated she just wanted to have an introductory conversation with Board today and have items discussed in a Committee meeting.

Alexandra Mobley and John Dudas wanted the Board to approve up to \$500,000 in a special meeting as soon as possible; they would then negotiate with to obtain a potential tenant for the grocery store in the former Chism Trail building – funds to be used to rehab building or demolish building. Developer prefers tenant rehab the 25,000 square foot building. Chairman Frick noted that the funds are there but there were too many other issues that needed answers and/or resolutions prior to presenting \$500,000 to a tenant: 1) Will the building given to, leased or sold?; 2) Need information about proposed grocery tenant; 3) type of groceries to be provided – canned goods only, verses produce and other; 4) etc. Chairman Frick stated and other Board Members agreed that without a Letter of Intent from a proposed tenant, there would be no need for Developers to come to the Board with that request until they have a letter of intent in-hand. Chairman felt issues needed to be discussed in a Committee Meeting and presented to the Board for approval or meeting of Committee-of-the Whole.

Chairman Frick stated that he thinks, it is unlikely that we will have the July Board meeting due to holiday and vacation schedules. Clara Harris noted that she will need to keep the June Committee meeting as scheduled to discuss new project and any items that the Developers will present. Chairman Frick then stated that all meetings will remain as scheduled with the potential of cancellation.

Again, Chairman Frick suggested an overall Master Plan Reconciliation Spreadsheet of the financials of Uptown to also include the re-allocations that has taken place and what's left in each line item at the next meeting in August. Mary Lynn Seale stated she has a spreadsheet with some of the information and would provide the document.

**Agenda Item IX.**

Item Summary:

Next Meetings – CRA Committee Meeting June 18, 2015; CRA Board Meeting July 2, 2015; CRA Board Meeting August 6, 2015

Discussion Summary:

**Agenda Item X.**

Item Summary: Adjournment

Discussion Summary: Meeting was adjourned at 10:10 a.m.

Respectfully Submitted by:

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Ann W. Langston, Secretary