



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, Conference A – 4th Floor
Date: March 3, 2016**

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 (Legal), City Attorney's Office

DPD/CRA Staff: Clara Harris, Principal Planner; Marion Jones, Municipal Planner; and Verlean Kelly, Landmarks Secretary.

Visitors: Alex Mobley, John Dudas, Tanja Mitchell, Luretha Phillips and Cornelius Sanders.

I. Call to Order

By: Chairman Frick
Time: 8:30 A.M.

Agenda Item II.

Item Summary: Approval of Minutes – February 4, 2016
 Discussion Summary: Board Member Massie made a motion to approve the Minutes of February 4, 2016.
 The motion was seconded by Board Member Hill. The motion passed unanimously.

Agenda Item III.

Item Summary: Resolution & Attachment: Re-allocation of Up to \$36,300.00 from NS13B-AHDI Program Implementation to NS13A-AHDI Program Consulting for Eleven-Months Funding On As Needed Basis at

Discussion Summary:

Hourly Rate of Pay

Clara Harris gave a brief breakdown of the Resolution, stating that since the initial three (3) AHDI houses have been completed, the Developers are requesting additional funding for on-going activity of Program Consulting services on an "As Needed" basis only. She noted that there would be changes in the Contract/Letter of Agreement changing payment from \$3,000 per month for 24 hours at \$125 per hour to \$125 per hour "As Needed," not to exceed \$3,000/month. Also, contract ends December 31, 2016. Developer will be determining the "As Needed." Ms. Harris stated that item was referred to the Board by the Policies & Procedures Committee without recommendation.

Board Member Massie and Chair of Policy and Procedures

Committee noted that the Committee met and it is evident that the Consultant is needed to go forward, but the Committee's concern is the Consultant was paid \$3,000/month at times when it seems there was no work being done on the project because of how the contract was written. She also stated, that all of the Developer's contracts should be reviewed and that all of the contracts should be "Performance Based", so funds are not paid when work has ended and/or held up for whatever reason. Because of this the Committee is asking the Board to direct that all the contracts between Developer and consultants be reviewed and be "performance based" so CRA is not paying someone for three (3) years to facilitate production of three (3) houses – the expectation is that 10+ houses would be constructed under the AHDI Program. Chairman Frick stated that he is also concerned that only three houses had been constructed for the amount paid in consulting fees.

Clara Harris provided some explanation of Program

Development/Consulting activity before housing construction began [Unsuccessful Housing Program/Planning with MLGW-approximately 1-year, AHDI Program Development with Financial Institutions/CRA Policies & Procedures/Forms/Procedures for Use of and Securing TIF funds].

Ms. Massie stated that she understands that the Consultant was instrumental in securing financial institutions and the financing for the houses and working thru other project elements but it is hard to conceive that the Consultant did something to justify \$3,000/month for all those months in between. She stated, it was reasonable to implement payment on an "As Needed" basis when work is in progress, beyond the (3) completed homes. She added that since the CRA is the "Payee" for services, some legality of

determination of payment should be allotted, even if the contract is between the Consultant and Developer.

Attorney Hearn stated that she reviewed the existing Letter of Agreement and the existing agreement does not include language regarding the goal of producing 10 or more houses, the contract language includes scope of services regarding program development and consulting services activities. Attorney Hearn did advise that going forward the Board may want to consider adding goals or performance base language to contracts along with other expectations; and that MHA and CRA sign agreements as acknowledgement parties for LOA/contracts that are TIF funded, though the contracts are between consultants and Developer.

Board Member Hill asked if invoices for services by the Consultant had been submitted, reviewed and paid. Clara Harris confirmed that invoices for services per the LOA had been submitted and reviewed by Staff and paid.

Chairman Frick asked for a motion. Board Member Thomas made a motion to approve Agenda Item III (Resolution and Attachment: Re-allocation of Up to \$36,300.00 from NS13B-AHDI Program Implementation to NS13A-AHDI Program Consulting for Eleven-Months Funding On As Needed Basis at Hourly Rate of Pay). The motion was seconded by Board Member Smith. The motion passed unanimously.

Chairman Frick stated that his other concerns about the AHDI Program are: none of the three houses are under contract to be sold, and that Developers are not ready to immediately start the fourth house should one of the houses sale – Mr. Frick asked Mr. Dudas to give an explanation for this during his update.

Agenda Item IV.

Item Summary:

Resolution & Attachment: Proposed Expanded/Modified Scope of Work for Promise DC-Neighborhood Coordinator.

Discussion Summary:

Chairman Frick noted that the Item was approved last month contingent upon Legal (Ms. Hearn) review of CRA being in Compliance with the approval. She reported there were no conflicts with the Act or the Plan and the position - Modified/Expanded Scope of Work for Neighborhood Coordinator being approved but the discussion/final approval of pay was separate.

Board Member Hill also mentioned the submittal of a Performance Review of the Neighborhood Coordinator that outlined the Administrator of the Review and assure the services rendered were compatible to the “Amended” Scope of Work/Services.

Agenda Item V.

Item Summary:

Discussion Summary:

Proposed Pay Increase for Promise DC-Neighborhood Coordinator John Dudas gave a brief report referencing the US Bureau of Labor statistics from 2015 in regards to Private (31.4%) and Public (36.3%) Employers costs/benefits percentages of employees. He compared Soulsville staff (\$50,000-\$60,000) per year w/added 31% Employer Labor Costs [\$65,000-\$78,000] to the Neighborhood Coordinator’s position making a flat rate of \$5,000 per month (\$60,000 per year). Mr. Dudas noted he felt these figures justify the proposed pay increase from \$5,000 to \$5,500 per month (or \$60,000/year to \$66,000/year) for the Neighborhood Coordinator’s position.

The Board noted that the approval was contingent upon a Performance Review and asked if it had been completed. Cornelius Sanders (Director, Promise DC) stated it had not been done. He stated there were no formal process in place but after the meeting, he would implement a Performance Review Process.

Chairman Frick asked the Board, if they would like to table this Item until a Performance Review has been completed and submitted for CRA Board review. Board Member Thomas also noted to include in the Performance Review the Neighborhood Coordinator’s Job Description and how staff performed in accordance with the job description. The CRA Board Members agreed.

Chairman Frick asked for a motion to table the Item. Board Member Thomas made a motion to table the Item. The motion was seconded by Board Member Hill. The motion passed unanimously.

Agenda Item VI.

Item Summary:

Discussion Summary:

Year End 2015 Report – Uptown Redevelopment Activity John Dudas prepared a PowerPoint presentation for the Board which covered (5) Areas of Highlight:
1) Infrastructure 2) Building Rehabilitation 3) New Housing Construction 4) Uptown Center Project and 5) Special Projects.

The major discussion centered on the AHDI Homes, having only (3) completed and marketing for all the homes just getting started with a Realtor. John Dudas stated an Agent was not hired in December 2015.

Chairman Frick was concerned that the homes had not been marketed correctly. He was under the impression the homes were being marketed the 1st day ground broke on the 1st home construction or definitely while under construction. He wanted to know why wasn't the Realtor hired in the Summer when construction begun to start marketing the homes. Chairman Frick expressed his concerned with the decision and lack of marketing on (3) completed vacant homes and not having (1) contract. He stated his displeasure with \$122,000 of taxpayer's funds had been spent for Program Consulting and the additional funds just approved and that there are no potential buyers and the Developers are not prepared to start the 4th home should a buyer's contract get approved on one of the (3) homes completed. He found the Developer's management of the AHDI Homes unacceptable.

John Dudas stated that he was told the most effective way to market was to have a Model home that potential buyers could see. He added that the homes are being shown and that it just takes time. He felt things would progress in the Spring.

Board Member Smith asked what the Marketing Strategy was for the sale of the homes.

John Dudas responded saying that it's a combination of Open Houses, Agent networking with other Agents, signs in the area and contact employers who may know of potential buyers. Board Member Smith wanted clarity of there being no marketing of the homes using a Master Plan to entice potential buyers. There were none.

John Dudas continued the presentation providing summary information with the potential tenant for the grocery store, noted the tenant was only interested in about 16,000 sq. ft. of the 25, 000 sq. ft. building.

He noted the special projects and a few other entities that had been added to the list participants of the Joint Agencies Meeting.

Board Member Langston asked why the schools in the area were not a part of the Joint Agencies Meetings such as KIPP. Tanja Mitchell responded that the meetings were currently being held

during normal school hours. John Dudas stated that they could look into getting the Administrators and School Board Members involved.

Agenda Item VII.

Item Summary: Unfinished Business
Discussion Summary: None.

Agenda Item VIII.

Item Summary: New Business
Discussion Summary: Chairman Frick asked Clara Harris about a U of M request for a Redevelopment District being presented to CRA or did it go through the EDGE. Clara Harris stated that the Division Administration may have received a request but it/an application was not presented to her/staff as an item for CRA Board consideration. Chairman Frick stated he would be meeting with Director Copeland and would find out what the request was and the need.

Chairman Frick also asked Ms. Harris the status of EDGE taking over the duties of the CRA Board. Clara Harris stated that Josh Whitehead requested that all inquiries regarding EDGE & CRA be directed him. Chairman Frick requested that the CRA Board be provided with an update/report at the next Board meeting.

Agenda Item IX.

Item Summary: Next Meetings: CRA Committee 3/17/16, Board April 7, 2016—
Materials due 3/4/2016
Discussion Summary: Board Member Hill stated, he would not be in attendance on 3/17/16. Board Members Massie, Martin and Langston stated they would be available for the Committee meeting.

Agenda Item X.

Item Summary: Adjournment
Discussion Summary: 9:30 a.m.

Respectfully Submitted By:

Ann W. Langston, Secretary