



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, 4th Floor—Room 477
Date: June 2, 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		Resigned 4/26/16
Member	John Smith		X
Member	McKinley Martin		X

Legal Staff: Cheryl M. Hearn, Assist City Attorney-City of Memphis Law Division

DPD/CRA Staff: Josh Whitehead, Planning Director; Clara Harris, Principal Planner; and Marion Jones, Municipal Planner.

Visitors: Alexandra Mobley, John Dudas, Tanja Mitchell, Luretha Phillips and Alex Turley.

I. Call to Order

By: Michael Frick
Time: 8:34 A.M.

Agenda Item II.

Item Summary: Approval of Minutes – April 7, 2016
 Discussion Summary: Board Member Massie made a motion to approve the minutes of April 7, 2016.
 The motion was seconded by Board Member Langston. The motion passed unanimously.

Agenda Item III.

Item Summary: Committee Recommendation - Resolution & Attachments:
 Extension of Agreement Thru 12/31/2016 and Additional Funding

Discussion Summary:

for North Second Street Consulting; Re-allocation of an Additional \$25,000 within (NS) Part 6 – North Second Street Parkway Improvements, from Project Construction Funding to Consulting; Re-allocation Budget (\$17,500 for Amended Agreement for Consultant Services; \$1,750 for Developer Fee; \$5,750 Contingency for Consulting Services – Requires Staff Approval) Policies and Procedures Chair Deborah Massie gave an update from the Committee Meeting, explaining the requested re-allocation of funds for continuing consulting services. She stated that the Consultant is working closely with the City Engineer's Office and the Developers on the North Second Street Parkway project and the work to gain state and federal approvals and move the project forward is not complete. She also noted that there is \$16M of government grant funds which is expiring, so Federal Highway Administration is asking the State to spend those funds on other projects. Other federal highway funding will be available for the Second Street Project and the State will have more control over the new highway funds. She added that the consultant fee was for actual work being done, not just an ongoing fee.

James Collins [Kimley-Horn], the Consultant stated that he has been working with City Engineer's Office and the Developers for 2.5 years to move the North Second Street project forward. He explained the differences between grant funds and funds that are earmarks. He noted that there were (3) earmarks more than 10 years old and if not used would be rescinded. He stated there was an option to use the earmark funds on a project within 50 miles of the original project. He added that a letter from the Commissioner of Transportation had been sent to start the process of re-appropriating those earmark funds to other projects. Mr. Collins provided a summary of the work for the North Second Street Project to date and work to be done going forward.

Board Member Massie made a motion to approve the Resolution & Attachments: Extension of Agreement Thru 12/31/2016 and Additional Funding for North Second Street Consulting; Re-allocation of an Additional \$25,000 within (NS) Part 6 – North Second Street Parkway Improvements, from Project Construction Funding to Consulting; Re-allocation Budget (\$17,500 for Amended Agreement for Consultant Services; \$1,750 for Developer Fee; \$5,750 Contingency for Consulting Services – Requires Staff Approval). The motion was seconded by Board Member Langston. The motion passed unanimously.

Agenda Item IV.

Item Summary:

Resolution & Attachments: Amendment to AHDI Policies & Procedures, Policy #9 Regarding Pre-construction Planning Activity & Expenditures Prior to Closings on the Existing Houses.

Discussion Summary:

Chairman Frick felt that when momentum starts and there's buyer's interest that's when the Developers should accelerate construction. He asked if John Dudas could start his presentation with the sell contracts on any of the homes. Chairman Frick stated that the Board could approve construction of additional homes once buyer is near closing on a home.

John Dudas reported that they received 5 contracts but 2 did not get accepted. He gave an update on the (3) three built homes [Lots 9, 10, and 11] which one [Lot 9] serves as the model home. Alex Mobley gave an update on the contracts on the (3) homes, stating Lot 9 sale price is \$162,508; Lot 10 - \$151,000 and Lot 11 - \$168,000 with all closing mid-July. She added that the other (2) contracts that were not accepted was due to the potential buyers wanting up to \$20,000 reduction of sale price. Alex added that there are (6) six lots left in Malone Park subdivision to build on after the sale of the above mentioned.

Clara Harris asked about the banks (FDIC) guaranteeing money over the \$500,000 if additional houses are constructed before the one or more of the initial house are sold? Alex was not sure if the banks had been asked but stated she would find out. Chairman Frick [who works for an FDIC Bank] didn't think having the banks guarantee any additional funds should be a requirement. He added that some issues were for Board approval and others were for Staff. He felt this was a staff issue to deal with. Ms. Harris agreed and Board Member Massie noted, if the additional insurance is needed, they [Developer/AHDI Program Consultant] would need to obtain it.

Clara Harris reviewed the proposed changes to AHDI Policies & Procedures – Policy #9 as proposed by Developer – John Dudas. Ms. Harris directed the Board to take note of language Developer proposed to strike from the policy [regarding developer having to gain Board approval for construction of houses above 3 either under construction or for sale at any one time]; and then note the proposed replacement language regarding list of per-construction activity and expenditures that could be allowed prior to sale of existing houses; and that up to three houses can be under construction at any one time.

Chairman Frick asked Ms. Phillips if Developer's agreement with MHA would allow extension of agreement to complete additional

houses after December 31, 2016. Ms. Phillips responded that under their agreement all work is to cease December 31, 2016. After discussion among Board Members and response to additional questions asked, and responses from Developers and MHA Staff – it was the Board’s consensus to amend Policy #9 to allow pre-construction activity and expenditures prior to sale of completed houses; however, language regarding developer having to gain Board approval for construction of houses above 3 either under construction or for sale at any one time is to remain as part of Policy #9.

Board Member Massie made a motion to approve the Resolution To amend AHDI Policies & Procedures, Policy #9 to allow pre-construction activity and expenditures as proposed - prior to sale of completed houses; and language regarding developer having to gain Board approval for construction of houses above 3 either under construction or for sale at any one time is to remain as part of Policy #9; and that Staff to be directed to work with Developer and MHA to clean up the language in the resolution and Policy #9 to reflect the Board decision. The motion was seconded by Board Member Thomas. The motion passed unanimously.

Chairman Frick allowed Alex Turley a chance to give an update on the grocery store tenant. Alex reported that they were waiting on Save-A-Lot Corporate approval to work out details with the owner/lease store down the street. He noted the proposed tenant had agreed to take the entire building but their challenge was to merchandise the entire building. Alex added that there were no other potential tenants and they are just waiting to work out some details with Save-A-Lot.

Agenda Item V.

Item Summary:

Discussion Summary:

Discussion: CRA Role - THDA Blight Elimination Program
Board Member Langston mentioned a United Housing Fund Program that assist property owners with various repairs before resulting in demolishing homes and leaving the vacancies in neighborhoods. She asked if the THDA Blight Elimination Program is similar to the United Housing Program and if so, should CRA at least have a role in dissemination of information about the Program? Per Developer, the THDA Blight Elimination is basically a demolition program. After a very brief discussion, there seemed to be a Board consensus that no CRA involvement should be considered regarding this Program.

Agenda Item VI.

Item Summary:

Update – Uptown Redevelopment Activity.

Discussion Summary:

John Dudas gave an update on the following project:

1. 7 Alleys to be bided out in June
2. Main to Main is completed except for the West side
3. Front St. [Looney to Henry] R.J. Reynolds refuses to transfer ROW. Willis to Saffarans will be bided out in June.
4. Burkle Museum parking lot plan completed
5. Completed 7 Single Family homes in Round I of the Rehab Program. Expected to start Round II with rehab of 12 homes in June.
6. Completed 29 homes with Habitat
7. KIPP started o 3 homes and now bidding out the next 7 homes
8. CAPP project is completed and units occupied
9. Elmington Capital [Developer from Nashville] Project executed a contract on May 2nd and applied to OPD for site plan approval. They are proposing to build 144 apartments units.
10. Spoke about the Jimmy Carter Build Project in August and the progress of Bearwater Park Subdivision – the Build site [curb and gutters are complete].

Agenda Item VII.

Item Summary:

Unfinished Business

Discussion Summary:

None discussed.

Agenda Item VIII.

Item Summary:

New Business: CRA Policies & Procedures Committee Appointment

Discussion Summary:

Luke Hill has resigned from the Board and relocated to Cookville, TN to take a new job as General Counsel for a healthcare facility, Board is in need of a Policies and Procedures Committee member. Board Member Ann Langston agreed to serve on the Policies & Procedures Committee. Chairman Frick volunteered to be on the Finance Committee in place of Ms. Langston.

Agenda Item IX.

Item Summary:

Next Meetings: CRA Committee 6/16/2016, Board 7/7/2016—
Material due 6/3/2016

Agenda Item XII.

Item Summary:

Adjournment: 9:57 A.M.

Respectfully Submitted By:

Ann W. Langston, Secretary