



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: September 1, 2016

Meeting Attendance

CRA Board Members

OFFICERS/MEMBERS	NAME	PRESENT	ABSENT
Chairman	Michael R. Frick		X
Secretary	Ann Langston	X	
Treasurer	Shawn Thomas		X
Member	McKinley Martin	X	
Vice-Chair	Deborah Massie	X	
Member	John Smith		X
Member	Floyd Tyler (1 st Mtg.)	X	

Legal Staff: Attorney Felisa Cox, City Attorney's Office

DPD/CRA Staff: Clara Harris, Principal Planner; Marion Jones, Municipal Planner; Verlean Kelly, Landmark's, Secretary

Visitors: Alex Turley, John Dudas, Alexandra Mobley, Lee Johnson, Tanja Mitchell, Valerie Peavy and Luretha Phillips

I. Call to Order

By: Vice-Chair, Deborah Massie
Time: 8:35 A.M.

*Vice-Chair Massie started the meeting with an introduction of newly appointed Board Member, Mr. Floyd Tyler. She also noted the success of the Habitat for Humanity of Greater Memphis 2016 Jimmy & Rosalynn Carter Work Project. Vice-Chair Massie and Board Member Martin were among the volunteers for the home building. Chairman Frick participated in the event as well, including participation as representative of Bank of America - a corporate sponsor.

Agenda Item II.

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

Agenda Item III.

Item Summary:

Approval of State Form CT-0253 Report On Debt Obligation – Ref. CRA-Highland Row

Discussion Summary:

Clara Harris directed the Board’s attention to emails from CRA Bond Counsel, Richard Miller stating the need information from State Form CT-0253 Report on Debt Obligation for the Highland Row Project to be shared at a public meeting and approved by the Board. Ms. Harris directed the Board’s attention to the Form and reviewed the information on the Form: the Face Amount of the Bond, Interest Cost, Purpose, Security, Issue/Closing Date, Cost of Issuance, and Reoccurring Costs; and that the approved Form from CRA Board would be forwarded to the State by Mr. Miller.

Board Member Langston made a motion to approve agenda Item III, (State Form CT-0253 Report on Debt Obligation – Ref. CRA-Highland Row). The motion was seconded by Board Member Martin. The motion passed unanimously.

Agenda Item IV.

Item Summary:

Fourth AHDI House/Additional AHDI Houses.

Discussion Summary:

Clara Harris explained the reason this item was before the Board—per AHDI P&P, Developer is to gain approval of the CRA Board in order to construct a fourth/additional AHDI houses beyond the first three (3) houses. Vice-Chair asked Alex Mobley to give a little background of the Uptown Redevelopment and AHDI project to bring new Commissioner Tyler up to speed. Alex Mobley explained that they [Lauderdale-Greenlaw, LLC (LG), Developers] are the private entity of the public/private partnership with MHA for the Uptown Redevelopment. Ms. Mobley noted that Luretha Phillips is present representing MHA; and she, Alex Turley, and John Dudas represent Lauderdale-Greenlaw, LLC. She further explained that LG is a partnership between the Henry Turley Company and Belz Enterprises. LG has been serving as the Master Developer for Uptown for 15 years. Ms. Mobley provided information regarding the TIF District that was formulated in 2001; how funds are generated; used for the various projects; and how their Partnership submit projects and funding requests to the CRA staff and Board for consideration and approvals. Vice-Chair Massie noted that Uptown is one TIF Districts that CRA oversees, the other is Highland Row. She added that John Dudas suggested a tour of the Uptown TIF District for the new Board Member to see the work that has been done and what’s proposed. Ms. Mobley then focused on the AHDI houses. Ms. Mobley explained that the AHDI project started last year and was modeled from the HOPE IV Program. Three (3) homes had been built and have buyers for all three which is the agreement with the CRA to build only three

at one time, then return to Board for approval to build additional houses. Alex distributed information and gave an update on the projected closing dates for each (September 2, 2016 for Lot 9, September 30, 2016 for Lot 10, and October 15, 2016 for Lot 11). The reason for being on the Agenda was to discuss when to start the construction of the 4th, 5th, and 6th AHDI houses.

Vice-Chair Massie noted an issue to consider is, if granted to start construction on additional houses and they are not completed and sold by December 31, 2016, who would manage and/or be responsible for the houses as the Developer's Continuing Services Agreement with MHA expires December 31, 2016. It was asked of MHA (Luretha Phillips) would that be a charge they are willing to take. Ms. Phillips stated their new MHA Director had not been fully informed regarding the AHDI Program and houses. Ms. Phillips felt a meeting should take place with the MHA Director before making any decisions or implementing a plan regarding responsibility for construction or management of AHDI Program/houses. Clara Harris stated that the Board should also be aware that the expiration date for construction loans is October 9, 2016—if houses are not sold and construction loans paid off the take-out provision would take place/funds would be taken from the escrow accounts funded by CRA to pay the construction loan---and CRA would become owners of the houses---unless the Developer and AHDI Program Consultant obtains another extension to allow additional time to sell the houses.

Alexandra Mobley suggested that the Board consider approving additional pre-construction work then make a decision about the construction of one to three additional houses which she thinks can be completed in 120 days. The addition pre-construction work would include: legal services to prepare paperwork to transfer lots to builders-but not transfer the lots; work with DPD/CRA Finance Manager and banks to prepare paper work to transfer escrow accounts from lots 9, 10, and 11 to lots 12, 13, and 14-but not actually execute documents; and execute house construction agreements with builders. Board Member Tyler noted that 120 days from December 31, 2016 would begin today. Board Member Langston stated that there seem to be momentum for house construction and market for them – so would hate to lose the momentum. Vice-Chair Massie noted that because there seems to be several issues and unanswered questions regarding the existing houses and management and responsibility for additional houses she is not thinking the Board could reach a decision today. Ms. Massie noted that the projected closing date for one of the existing houses is after the loan expiration date of October 9 (Lot 11 – closing date October 15), need to know if construction loans will be extended, need to know the results of meeting with MHA

Director – plan for management and responsibility of AHDI houses if approved, but not completed by December 31, 2016 and/or completed but not sold by December 31, 2016. Vice-Chair Massie suggested the Board could move forward with the additional pre-construction work noted by Ms. Mobley and hold a Committee-of-the Whole Board as soon as information is available from MHA and Developers to consider the construction of at least one additional house—Developer indicated preference to start with Lot 14. Clara Harris suggested that the Committee-of-the-Whole Meeting be held on Sept. 15th since that date is already on the CRA Schedule as a Committee Meeting date.

Board Member Langston made a motion to approve the additional pre-construction work as outlined by the Developer; Committee-of-the-Whole Meeting be held on Sept. 15th ; and MHA and Developer to have a Report for the Committee with information regarding update on closings for the existing three houses, if construction loans will be extended, results of meeting with MHA Director – plan for management and responsibility of AHDI houses if approved, but not completed by December 31, 2016 and/or completed but not sold by December 31, 2016. Committee-of-the-Whole to then consider and take action in regards to Lot #14. The motion was seconded by Board Member Martin. The motion passed unanimously.

Agenda Item V.

Item Summary:

Discussion: Disposition of Front/Keel/Main/Saffarans Parcels— Distribution of Sales Proceeds.

Discussion Summary:

Clara Harris made the Board aware that the Developer requested to “Defer” this Item; and that the closing on the parcels are set for October 15, 2016. Vice-Chair Massie requested an accounting of the sales proceeds from properties previously sold from MLB-Uptown and what happened to the funds. Ms. Massie asked that the information be provided during the September 15, 2016 CRA Committee-of-the-Whole meeting. Alexandra Mobley stated there was only one (1) MLB property sold recently, the other properties had been transferred to Habitat, NMCDC/Promise, and AHDI Program at zero cost. Vice-Chair Massie still wanted a report on all of the MLB-Uptown properties and accounting of property sales and use of proceeds in order to have a better outlook on how to proceed with future funding of the land bank by CRA.

Agenda Item VI.

Item Summary:

Presentation & Discussion: Uptown Center East Land Assembly [Transfer of MHA Parcel to MLB Uptown, Jackson Avenue ROW], Grocery Store Parcel & Proposal for Grocery Store at Former Kroger/Chism Trail Site, Application - Commercial Rehab

Discussion Summary:

for Essential Services.

Clara Harris explained that this agenda item has several project elements grouped under the one agenda item because all go together as components for redevelopment of the Uptown Center East. Ms. Harris explained that the first element listed is the transfer of the MHA Parcel to MLB-Uptown, LLC for land assembly, along with the Jackson Avenue ROW. Ms. Harris explained that at this point, the developer has submitted an invoice to CRA for legal services to pay for land transfer cost from MHA to MLB-Uptown, LLC. Staff denied payment of the \$600.00+ legal fees because MHA is to receive sales proceeds from MLB-Uptown at the sale of the land, which will be profit for MHA and will not be re-cycled back into the Uptown Project. Ms. Harris stated that in a previous meeting she had suggested that if CRA pays for legal services or other costs for this transaction, it should be outlined in writing that CRA would be reimbursed at the point of sale or disposition of property. Alex Mobley stated that she informed MHA that CRA Staff denied payment of the invoice for legal services and that the invoice had been sent to MHA and their Legal Department had agreed to pay for the services. Clara Harris stated that the information had not been relayed to her regarding MHA's Legal Department agreeing to pay the \$600.00+ invoice. Alex then also explained the process of obtaining and the need for the MHA Triangle Parcel to be transferred to MLB-Uptown. It was noted that an approval by HUD Office of Public Housing and General Counsel is needed to complete the transfer; and that the MHA Parcel is the first thing that needs to happen as all of the property adjacent to the Jackson ROW needs to be in ownership by MLB-Up town to facilitate the purchase of the ROW.

Ms. Harris expressed concern as to whether the process and deadlines for purchase of Jackson ROW could be accomplished by December 31, 2016 considering at this point we don't have the approval regarding the MHA parcel and transfer to MLB-Uptown completed. Also, that at various junctures in the process TDOT will close the file and CRA could lose funds advanced/paid if certain deadlines are not met. Ms. Mobley provided a brief outline of the process to acquire the ROW and acknowledged that TDOT will close the file if certain deadlines are not met; however she stated that given the pay process for acquisitions are on an as needed schedule, she thinks the deadline can be met.

Vice-Chair Massie asked when an updated LOI from Save-A-Lot would be available. Alex Turley stated there should be a LOI by the next Board Meeting - October. Board Member Tyler wanted to know how the Brokerage Firm was determined. Alex Turley responded saying, Save-A-Lot has a Tenant Rep. For the next

meeting, Board Member Tyler asked for Market [rental rates] information to assure fairness on behalf of the CRA.

Agenda Item VII.
Item Summary:

Unfinished Business
There were none.

Agenda Item VIII.
Item Summary:

New Business
Board allowed Mrs. Valerie Peavy to introduce herself and Mr. Lee Johnson—Uptown business owners. They did not have an agenda item of concern – just attended to keep abreast of information/actions of the Board which may impact the neighborhood.

Agenda Item IX.

Item Summary:

Next Meetings: Committee-Of-The-Whole 9/15/2016, Board 10/6/2016—Material due 9/8/2016

Board Member Langston stated she would not be available for the 9/15/16 Committee-of-the-Whole. Ms. Harris stated she would poll for attendance/quorum and then notify everyone as to whether there would be a meeting or not.

Agenda Item X.
Item Summary:

Adjournment
Adjournment: 9:50 A.M.

Respectfully Submitted By:

Ann W. Langston, Secretary