

COMMUNITY REDEVELOPMENT AGENCY MEETING



City of Memphis and Shelby County Redevelopment Agency
City Hall, 125 N. Main Street, Room 477
Memphis, TN 38103
Thursday, December 7, 2017
8:30 a.m.

Present: Chairman McKinley Martin, Jr.
Vice Chairman R. Miles Mason, Sr.
Secretary Ann W. Langston
Member Floyd Tyler
Member Kevin Spragling
Treasurer Dynisha Woods
Member Sam Cantor

Also Present: Andrew Murray, PGAV Planners, Interim Executive Director
Monice Hagler, Counsel for Community Redevelopment Agency
Clara Harris, Principal Planner, Department of Planning, City of Memphis
Ida M. Bounds, Executive Assistant for Community Redevelopment Agency
Tanja Mitchell, CRA Contractor

Absent: Felisa Cox, City of Memphis, Senior Attorney

I. Chairman McKinley Martin called the meeting to order at 8:40 a.m. and a quorum was present. Chairman Martin welcomed everyone to the meeting and thanked everyone for attending.

II. MINUTES – November 2, 2017

Chairman Martin presented to the Board minutes of November 2, 2017, meeting for approval. The minutes of the regular meeting were approved by Board Member Ann Langston motion, Board Member Kevin Spragling seconded to accept the minutes. The motion to approve the minutes was passed unanimously.

III. CRA TAX INCREMENT REVENUE COLLECTIONS – SHELBY COUNTY TRUSTEE’S OFFICE

Chairman Martin welcomed Trustee David Lenoir, Shelby County Trustee. Trustee Lenoir introduced himself and stated his term began September 2010 and that he was re-elected in 2014. He also introduced Ms. Debra Gates, who was appointed in 1990 and has served four Trustees as a CPA. In his presentation, he summarized the responsibilities of the Trustee’s Office and one of the things that the Trustee is known for is being the tax collector and that is one of the primary responsibilities of the Office. He reported the County has a billion dollar budget and of the billions dollars \$800 million dollars come through the form of property taxes. He also reported that the office administers PILOTs and TIFs, and that they also manage cash on behalf of the County. He explained that as the Trustee’s Office collect taxes that money is allocated to funding education and other services.

He reported that there were two primary focuses in terms of this meeting. One is cash management and what can the Trustee’s Office do for CRA and also TIF administration. In terms of cash management, they manage a portfolio of about \$800 million dollars and are also considered the banker of other elected officials. He explained there is a little over \$3 billion dollars that come through the office each year, and in terms of CRA funds, two TIFs were approved; one was extended and the other was approved December 4, 2017. He also reported that they have a treasury staff that constantly monitors the market, and they have relationships with various broker-dealers and banks in the community. He also reported that State law governs their investment policy and according to TCA, they can invest in maturities of two years or less because the foremost objective of managing taxpayers’ money is safety and security of the investment. He explained they also focus on liquidity and that is when they need the funds to meet the operating needs of Shelby County Government, Shelby County Schools, the Elected Officials, and/or other county entities. He then explained they invest in CDs, CDARS, which is a pool of CDs, government bonds, agencies; very high quality, very secure investments.

Trustee Lenoir explained that the CRA will be responsible for letting the Trustee’s Office know how they want the TIF funds invested and that they will help invest money on behalf of the CRA. He also explained that property tax funds collected are allocated monthly into the CRA account. He further explained that his office assembles the parcels, calculate the base, the increment and their system tracks the 95/5, 50/50 in terms of who gets the increment and from the county perspective that the property taxes that come in that increment get allocated, and the funds are then moved over to the appropriate entity which is the CRA. Finally, Trustee Lenoir explained that the Trustee’s Office will continue to accommodate CRA as a client in terms of how they want to invest the funds and will continue to move funds and allocate as CRA instructs them.

IV. TRI-STATE BANK – NEW PRESIDENT

Chairman Martin asked Mr. Archie Willis to introduce Mr. Darius Davis. Mr. Willis introduced himself as Vice Chair of the Board of Tri-State Bank and explained his primary reason for being at

the meeting is twofold. Number one, he thanked CRA for their business and number two, he advised the CRA Board of a recent leadership change at the Bank. He noted that the CRA Board had been working with Mr. Tom Felder and that he is no longer affiliated with the bank. He reported that Mr. Felder did a great job in helping the bank deal with some long-standing regulatory issues and they are now looking to take the bank forward and wanted to bring in a different CEO with a different set of skills. He introduced Mr. Davis.

Mr. Davis thanked the CRA for its business, and thanked Chairman Martin for reaching out to him. He stated that he had been in Memphis three weeks; that he was President and Chief Operating Officer of The Harbor Bank of Maryland, a diversified financial services institution headquartered in Baltimore, that he is a career banker with over 25 years of experience in the industry, and previously served as President and CEO of United National Bank; Senior Vice President of Mechanics & Farmers Bank; and, started his career spending 10 years in several areas of responsibility with Wachovia Bank & Trust Company.

Mr. Davis received his B.S. in Economics from the University of North Carolina - Greensboro and his MBA from the Kenan-Flagler Business School at The University of North Carolina - Chapel Hill. Mr. Davis stated that he is pleased to be in Memphis and have received a very welcome response and he looks forward to getting to know the CRA Board better. He also stated the work being done at CRA is very much in line with the mission of Tri-State Bank and that he hopes that CRA being a community redevelopment agency and Tri-State Bank being a community redevelopment financial institution will be partners on quite a few things.

V. CRA ACCOUNTANTS – CANNON & COMPANY

Kathy Messerly gave the report from Cannon & Company. She thanked CRA for their business and gave an update of where they are with the transition. She reported that they are working with Tri-State Bank; the account has been open and they have reconciled accounts and everything is up to date. She also reported they met with Mary Lynn Seale and are in the process of transitioning everything over by January 1, 2018. She also reported they will be handling all of the bookkeeping for CRA.

Andrew Murray reported Ms. Messerly and Ms. Chambers sat down with Mary Lynn Seale and him over the phone for a conversation. He also reported that Ms. Seale, who has been managing CRA money and is responsible for having clean audits, walked them through the process on how to transition everything over to Cannon & Company, and that December 31, 2017, is the goal. He then reported that there needs to be a Memorandum of Understanding with the Trustee's Office to figure out what the relationship has been with the Office of Planning and Development (OPD) and the Trustee's Office and need to formalize what the role would be with the Trustees Office.

Mr. Murray reported that the auditors are doing an internal review. Ms. Clara Harris reported the goal is to have the 2017 audit before the Board at January 4, 2018, meeting. Ms. Chambers reported they are in the process of getting new software and they will have the first six months of activity for this year and that Ms. Seale would continue to help out to get everything fully transitioned by January 1, 2018. No board action was taken.

VI. PUBLIC COMMENTS

There were no citizens' comments.

VII. M/WBEs PROGRAM PARTICIPATION GOALS

Chairman Martin stated there is an agenda item not listed and it is concerning M/WBEs and asked Andrew Murray to lead the discussion.

Mr. Murray reported that Board Member Floyd Tyler at the Policies and Procedures Committee meeting asked for an update of where CRA was regarding M/WBE participation. He also reported that were items listed under the Memphis Housing Authority (MHA) that CRA has taken on since this summer. Mr. Murray then reported that the information he asked Ms. Phillips to compile is still preliminary and he had not verified certification of vendors with the city and the county. He reported that included in the lists are CRA current contracts, who is M/WBE and that there are three contracts on the list that are to be determined and that CRA will be aiming to get M/WBEs percentage up with those contracts.

He pointed out when he was at the County Commissioners meeting and they approved the Binghampton and the Uptown TIFs, there was a question that came up from Commissioner Van Turner about CRA participation levels regarding M/WBEs. He also pointed out he believed the information that was given to him by the county representative when they met was up to date and he reported the Board made a decision about the participation goals based on information he received from Mr. Shep Wilbun and the requirements for M/WBEs and Small/Local Business Compliance in Construction and Professional contracts are areas that Commissioner Turner is raising an issue on.

Mr. Murray reported that at the County Commissioners meeting he told them that CRA Board's intent was to meet or exceed the city and county participation, but they are looking for CRA to show that they are going to comply in the areas that they are not fully compliant in based on what was adopted. He also reported the issue is the disparity study that was done for the city is different than the county disparity study and it showed a much higher disparity because the County has been less inclusive historically.

Mr. Murray explained the issue is the 28% goal is for African American participation not just minority participation for Shelby County. He also explained the county disparity did not show a need for all minority participation it showed a need for African American participation. The challenge is when we go from the county to the city because of the way they break things down in the county is a little different. He also explained the way Mr. Wilbun is interpreting it is the total number for M/WBE should be 40%. He further explained the language used in practice with the locally owned small business participation said "urge to consider", but he said what the county requires is 20% for local participation.

Mr. Murray reported he is bringing this information to the Board, but they are looking for the CRA to assure them that they will meet or exceed the county and the city participation. He then asked the Board to direct him to amend the Resolution that was passed on June 1, 2017, and sit down and figure out what CRA needs to do to get those percentages to match.

Board Member Langston reported that the Board was under the impression that they were in full compliance with the city and county, and the M/WBE participation program numbers were based on the same participation from EDGE. She stated this is all new information on what the county position is as well as their study. She also stated there is an understanding of what the County Commissioner said when they approved the two TIFs, which was they expect CRA to move to their numbers and their vote

was based on the expectation that we would listen. Board Member Langston asked to have someone from the county to come to speak with the CRA Board about what the process is so they can encourage those that maybe when bids are sent out to maybe get certified. Board Member Spragling asked to have someone from the city to explain its certification process.

Chairman Martin asked the Board Members for a motion to allow Andrew Murray to amend the June 1, 2017 Resolution concerning M/WBEs in order to meet the county expectations. Board Member Ann Langston made a motion that as CRA adjust the program participation that it is a goal and CRA will do the very best to meet and exceed the goal; seconded by Board Member Kevin Spragling. The motion to amend the June 1, 2017, Resolution regarding M/WBEs participation was unanimously approved.

VIII. RESOLUTION: CRA 2018 BOARD MEETING SCHEDULE

Clara Harris led the discussion regarding a Resolution proposing to keep the same schedule for CRA Board meeting to be held on the first Thursday of every month and the Finance and /or Policies and Procedures Committee Meetings be held on the third Thursday with a deadline for distribution of the materials for the Board Meetings and Committee meetings. She also reported there is there is a third committee, the Hiring Committee will meet as needed. Board Member Kevin Spragling moved to accept the schedule for 2018, seconded by Board Member Sam Cantor. The motion to approve the 2018 Board and Committees meeting schedule was passed unanimously.

IX. COMMITTEE RECOMMENDATION & RESOLUTION: CRA STAFFING – NEIGHBORHOOD COORDINATOR

Chairman Martin reported the Hiring Committee recommends that CRA hire Tanja Mitchell as the Neighborhood Coordinator. He also reported she will have the same duties that she is performing in Uptown and will be responsible for all neighborhood TIFs redevelopment areas. He stated she will be reporting directly to the Executive Director so since we do not have one, it would be the Interim Executive Director. Board Member Kevin Spragling moved to accept the Resolution to staff the Neighborhood Coordinator position, Board Member Dynisha Woods seconded. The motion to approve the staffing of the Neighborhood Coordinator position was passed unanimously.

X. COMMITTEE RECOMMENDATION & RESOLUTION: EXTENSION OF AGREEMENT WITH KIMLEY-HORN & ASSOCIATES FOR NORTH SECOND STREET PARKWAY ENGINEERING CONSULTING TO 12/31/18

Ms. Clara Harris reported this item was discussed at the November 16, 2017 Policies and Procedures Committee Meeting and is a recommendation from the Committee. The Resolution and the Scope of Work are to extend the contract to provide engineering consultant service for the North Second Street Parkway through December 31, 2018. During the committee meeting, there was a discussion that no additional funds were needed. The allocation of funds was \$27,000 in February 2107. To date about \$7,000 has been expended and that leaves \$20,000 to pay for the services through December 31, 2018. Board Member Sam Cantor moved to extend the Engineering Consulting Contract with Kimley-Horn & Associates, seconded by Board Member Kevin Spragling. The motion was passed unanimously.

XI. EXTENSION OF INTERIM SERVICES PLAN WITH MEMPHIS HOUSING AUTHORITY

Andrew Murray reported the meeting with EDGE, HCD, MHA and CRA agency directors on December 6, 2017 was successful. He also reported Harvey Kennedy, county chief administrative officer and Doug McGowen, city's chief operating officer were also in attendance. He reported what he presented to Housing Director Lewis was that there are some ongoing services that needed to be continued by Memphis Housing Authority (MHA). He also reported the way the Uptown Redevelopment Plan was written and adopted it said that CRA would not use its eminent domain power to acquire properties without county and city approval. He then reported CRA have used MHA's eminent domain condemnation power over the years and will need to continue that service to acquire property in Uptown but not for any future TIFs. He further reported this is something CRA need to continue going forward. Mr. Murray explained there are a few other areas that need to be continued such as inspections, the condemnation legal work and the remediation company that CRA use and probably some discussion about ownership of lots and few other services CRA may need. He also explained that he could put together a contract with MHA in a limited role and have the Board to vote on at the January 4, 2018 meeting. No board action was taken.

XII. COMMITTEE RECOMMENDATION & RESOLUTION: PURCHASE OF JACKSON AVENUE R.O.W.

Clara Harris reported the proposed resolution is a recommendation from the Policies and Procedures Committee meeting held on November 16, 2017. She also reported the resolution and the appraisal report is an authorization to proceed and purchase the access Jackson Avenue Right of Way property from the Tennessee Department of Transportation. She also reported the cost for this acquisition is \$195,000 and the resolution is proposing to reallocate \$204,750 and in addition to the cost of the right-of-way purchase, there is a real estate management transfer fee of \$9,750 as part of the acquisition process from the State. She further reported the resolution is proposing transfer that amount from the account of NS 19 Part 2 and 3-A (Uptown West/Wolf River Acquisition and Redevelopment) to NS 3(Acquisition, Disposition & development Activities-Uptown Center Mixed-Use Project) where most of the funds are in this project for developing the Uptown Commercial Center. She further reported the right-of-way purchase has been proposed since the beginning of the Uptown plan and it would be used to assemble what is called the East block of the Uptown Center.

It was reported the real estate management fee is based on the schedule that the State has established and in property that is valued in excess of \$75,000 there is a 5% fee and this is handled by General Services. Because the property is between \$10,000 and 999,000, the schedule provides there is a 5% transaction fee and that goes to the State. It was also reported during the Policies and Procedures meeting the price is non-negotiable. Board Member Sam Cantor moved to acquire the Jackson Avenue Right-of-Way from the Tennessee Department of Transportation and transfer the funds for purchase, seconded by Board Member Ann Langston. The motion was passed unanimously.

XIII. COMMITTEE RECOMMENDATION & RESOLUTION: RFP FOR UPTOWN COMMUNITY PLAN

Andrew Murray reported this resolution is a recommendation from the Policies & Procedures Committee meeting held on November 16, 2017. He also reported there were two promises made to the Uptown community through discussions at meetings and what CRA agreed to; one was to assemble an Advisory Committee and the second was put together a Community Plan for residents, the stakeholders and institutions. He then reported the schedule would be to publish the request for proposal on December 11, 2017, final questions are due by January 3, 2018 and CRA will respond to questions by January 5, 2018 and the proposals are due January 12, 2018 and award the contract February 1, 2018. He proposed that CRA hire PGAV to do some existing conditions and mapping to get everything ready so when the contract is awarded February 1, 2018 and they could start the process at that time. He reported there would be a separate fee in addition to PGAV's monthly fee. He also reported his goal working backward from spring is to try to do a four month process where the community is engaged. Board Member Kevin Spragling moved to accept the RFP for Uptown Community Plan; seconded by Board Member Sam Cantor. The motion was passed unanimously.

XIV. COMMITTEE RECOMMENDATION & RESOLUTION: PROJECT APPLICATION & IN-TAKE UNDER COMMUNITY BASED TIFs

Andrew Murray reported this resolution is a Policies & Procedures Committee recommendation and that PGAV put together an application process where you can go on line and complete an application to apply for TIF funds. He also reported the form is electronic in a PDF format where you can fill it out on line and even sign it on line. He then reported this application will be used for Binghampton and Uptown.

Board Member Langston made the comment that when the application is posted on the CRA website, it needs to be clear that there is an explanation of the scope of which someone can ask for TIF financing so that we don't get a lot of inquiries that do not fall within the scope of what CRA does which is to eliminate slum and blight and affordable housing. Board Member Ann Langston moved to approve the application process for using TIF funds, seconded by Board Member Kevin Spragling. The motion was passed unanimously.

XV. COMMITTEE RECOMMENDATION & RESOLUTION AMENDMENTS TO POLICIES & PROCEDURES – SINGLE-FAMILY REHAB PROGRAM

Clara Harris reported this is a resolution and some amendments to the Single Family Rehab Program recommended by the Policies & Procedures Committee that can be used in the Uptown Expanded Area, Binghampton area, and any redevelopment area established under the community Redevelopment Agency. She also reported there were changes related to the formal operations of the program by the Master Developer and some of these activities will be replaced by the CRA staff, Executive Director, and Project Manager. She then reported that some of changes made were to make the program more efficient. She further reported the major changes were language changes to make this a criteria of all of the projects to be located in one of these established redevelopment areas and to add some income criteria to the program.

Board Member Langston asked to add an introductory statement on CRA's website that says in addition to RFPs, CRA funding, there are also grant programs. Board Member Ann Langston moved to accept the changes recommended by the Policies and Procedures Committee to the Single-Family Rehab Program to add a new website address, seconded by Board Member Sam Cantor. The motion was passed unanimously.

XVI. REPORT FROM CRA LEGAL: REQUEST FOR RELEASE OF LIEN ON 657 N. FIFTH

Attorney Monice Hagler reported MHA coordinated sending out an inspector to get an idea of the totality of the circumstances regarding this property. There were a couple of loans. HCD had a loan and CRA had a rehab loan. The owner of the property who is the son of the original owner had requested that the CRA provide a release of the lien in his attempt to sell the property. She also reported that she had spoken to the son and he no longer has a contract on the property. She then reported she reviewed this information recommends that until there is a bona fide purchaser the Board does not need to make a decision at this time and that in the event he had a bona fide owner that CRA would look at it just like any other commercial lender to determine whether or not we want to do a short sale or waive any or all of the amount that is due. Attorney Hagler will recommend that position on behalf of the CRA Board and will advise the owner of the position of where we are. No board action was taken.

XVII. REPORT FROM HIRING COMMITTEE

Chairman Martin reported that the Hiring Committee recommended Tanja Mitchell for the Neighborhood Coordinator position and they met with Ms. Mitchell and gave her all of the details about the position. He also reported regarding Executive Director position, the Hiring Committee has a goal to finish reviewing all of the application by the end of the year, and that they are looking to see if any business leaders have any suggestions of candidates. Chairman Martin stated if anyone is interested or know someone who wants to apply for the position, they can send resumes to mack.martin.cra@gmail.com.

He reported that three new positions would be posted by the end of December 2017; financial analyst, construction manager, and a planner. He further reported the Hiring Committee would not be interviewing for those positions, but will post them and leave that decision up to the Executive Director. No board action was taken.

XVIII. PGAV UPDATE ON CRA EXECUTIVE DIRECTOR STAFF SERVICES

Andrew Murray reported that we received seven responses from the Construction Manager Services RFP. He also reported that the Hiring Committee will convene to sit down and review the responses and report back to the Board. He further reported that Binghampton and Uptown TIFs were approved, but there still is a possibility it would be brought back to the county and there was one "no vote" at the County Commissioners meeting. He then reported that both administrations are excited as CRA can do things that HCD or MHA cannot do and there is excitement to partner with the different agencies. He further reported that he and Chairman Martin drafted a mission statement for

the binders with all of the Agency documents that the CRA Board would be receiving after the meeting.

XIX. UNFINISHED BUSINESS

None came before the Board.

XX. NEW BUSINESS

Clara Harris reported that Ethics Training for County Appointees to the Board is December 11, 2017, and an online training session through December 31, 2017.

Board Member Langston thanked Chairman Martin for his service and dedication to the CRA and the staff that have been working hard and have been in a lot of meetings and Ms. Harris for working with the CRA Board.

Board Members pictures will be taken at the January 4, 2018 meeting.

XXI. ADJOURNMENT

There being no additional business, the meeting was adjourned at 10:40 a.m. The next CRA Board Meeting will be Thursday, January 4, 2018.

Respectfully submitted:

Ann W. Langston