

COMMUNITY REDEVELOPMENT AGENCY BOARD MEETING



Board of City of Memphis and Shelby County Redevelopment Agency

City Hall
125 N. Main Street
Memphis, TN 38103
Thursday, December 6, 2018
8:30 a.m.

Board Present:

McKinley Martin Jr. – Chairman
Ann Langston - Secretary
R. Miles Mason Sr. - Vice Chairman
Dynisha Brown Woods – Treasurer
Sam Cantor – Member
Kevin Spragling – Member

Also Present:

Rosalyn Willis – President, CRA
Andrew Murray – Director of Planning and Community Development,
CRA
Monice Hagler – Counsel, CRA
Tanja Mitchell – Director of Neighborhood Sustainability and Chief
Impact Officer, CRA
Lisa Ivy - Office Manager, CRA
Michael Ross – Director of Finance, CRA

Visitors:

Billy Orgel
Dwan Gilliom
Scott Fleming
Emmanuel Tvombe
Abby G. Wilson

A meeting of the Board of Directors (“Board”) of the City of Memphis and Shelby County Community Redevelopment Agency was held on Thursday, December 6, 2018. All Board members were present.

I. CALL TO ORDER

Chairman McKinley Martin called the meeting to order at 8:40 a.m. and a quorum was present.

II. MINUTES – November 1, 2018 (Board Action)

Chairman Martin called for approval of Board minutes from November 1, 2018. Upon motion made by Board Member Sam Cantor and seconded by Board Member Dynisha Brown Woods. Chairman Martin stated the October 11, 2018 minutes were approved with some grammatical changes that needed to be made, changes were made and copies of changes are in folders for review. The minutes were unanimously approved by the Board.

III. PUBLIC COMMENTS

There were no Public Comments.

IV. RESOLUTION TO ENGAGE TRUST MARKETING TO PRODUCE VIDEO FOR UPTOWN COMMUNITY REDEVELOPMENT WORK (Board Action)

President Rosalyn Willis stated at the request of a Board Member to engage a firm to produce a video for Uptown Community Redevelopment, she recommends Trust Marketing. President Rosalyn met with Trust Marketing to get a concept and a preliminary budget for the video. President Willis is asking for an approval to move forward with starting the work and getting things in order for the video.

Board Member Kevin Spragling asked how long the contract will last. President Willis responded a schedule has not been set at this time. Chairman Martin asked for a motion for the approval of Trust Marketing to produce a video for Uptown Community Redevelopment. Upon a motion made by Board Member Langston and seconded by Board Member Spragling, the Board unanimously approved to engage Trust Marketing to produce a video for Uptown Community Redevelopment Work.

V. RESOLUTION TO ENGAGE PROGRAM MANAGEMENT CONSULTANT TO ASSIST THE PRESIDENT (Board Action)

Chairman Martin called for a presentation of the proposal for a Program Management consultant to assist President Willis. President Willis stated Tom Currell's resume has been circulated to the Board Members for review. Board Member Woods asked if there is anyone local who can provide these services. President Willis response was she didn't know anyone locally, but if the Board knew of anyone that she would review their resume. President Willis stated that she needed someone to start as soon as possible because there are projects getting ready to start up. President Willis stated that she has been working more on the administrative aspect of the agency, she feels right now she needs to stay focused on high-level meetings and organizing upcoming projects. President Willis stated she really needs to have the assistance of someone who is experienced in large-scale real estate development. Mr. Orgel is coming to

CRA for infrastructure funding. Uptown is need of a Project Manager to handle their projects. President Willis is asking for permission to develop a contract and scope to get things ready for Mr. Currell to start at the beginning of the year, time is of the essence.

Chairman Martin asked if the Program Manager will work in place of a Master Developer; will he work simultaneously on different projects or will he work only for Uptown. President Willis stated Mr. Currell will be working specifically for the CRA 100% of the time and coordinating projects in Uptown. Board Member Langston asked if Mr. Currell was going to move to Memphis and are there other consultants in his practice. President Willis response was Mr. Currell will not be moving to Memphis and we will have him on full-time. Mr. Currell has very high environmental technical skills. CRA will setup a matrix with all of his time and expenditures will be project costs. Monice Hagler commented that Mr. Currell has done other projects in Memphis and has worked with other organizations in the Memphis area. Board Member Cantor stated he interpreted in the bylaws to mean that proposals which exceed \$100,000 should be sent out for bids. Board Member Cantor then read that particular portion of the bylaws pertaining to that area. Board Member Woods asked could more due diligence be done before making a decision. Board Member Spragling stated after reading the resolution President Willis is asking for permission to move forward this is not the final scope. Board Member Spragling stated he is looking for a final contract of services being provided at the next Board meeting and he is in favor of moving forward to get this project started. Board Member Cantor stated he will not be supporting the resolution at this time. Ms. Hagler stated this is professional services and this is an exception to the limit of \$100,000 per the bylaws. Board Member Mason stated he is standing with Board Member Cantor and not supporting the resolution at this time. Chairman Martin asked for a motion to engage Program Management Consultant to assist President Willis. The Board did not vote to approve the resolution as presented; however, Board Member Spragling motioned to give President Willis authority and support to develop a scope and provide references for Mr. Currell as Program Management by January 31, 2019, seconded by Board Member Langston. The Board approved the motion with four in favor and two against.

VI. RESOLUTION FOR RELEASE OF RETAINAGE TO MILHAUS, DEVELOPERS FOR THE HIGHLAND ROW PROJECT

President Willis introduced Mr. Martin from Milhaus. Mr. Martin is asking for release of retainage from the Highland Row project that is being held with the Trustee. President Willis has been in contact with Regions Bank and has included in the Board packet a copy of the resolution along with certifications, lien waiver, building certificates, anxillary, information from the Assessors' Office, and proof from Regions Bank that the funds are there waiting to be disbursed. Board Member Cantor asked if the packet the same that was sent via email. President Willis stated that maybe the packet has some of the same information, but she has added additional information to be reviewed if needed for the Board. The requirements have been met by Milhaus according to Regions Bank for funds to be released. Chairman Martin asked President Willis what is her recommendation after reviewing the documents based on her experience. President Willis stated the paperwork that has been submitted is in order and typical of what is required for a retainage release and they have already earned the monies. The law states that we can hold back 5%; not sure if this is 5% but this is the actual balance. Board

Member Cantor stated by reading the incomplete package this is not their money, this is the retainage held back from their subs. Mr. Martin responded that is correct, they paid all their subcontractors the retainage because this was filed a year ago and it is fair for us to delay because of our financing. Board Member Langston asked how the taxes were coming in, do we have an increment. Mr. Ross, CRA Director of Finance responded yes there were increments in most recent fiscal year. President Willis stated there have been meetings with the city and the county trying to get correct numbers for collections of taxes. Board Member Cantor asked is this something that should be paid. President Willis stated based on the information the retainage should be paid. Chairman Martin asked for motion to release the retainage to Milhaus. Upon motion made by Board Member Cantor and seconded by Board Member Langston, the Board unanimously approved to release the retainage to Milhaus.

VII. STATUS REPORTS:

CRA Files: (Lisa Ivy)

Ms. Lisa Ivy stated all old CRA files will be stored on site with Vital Records Control at 868 Mendenhall Rd., Memphis, TN 38117 at \$50 per month using VRC boxes @ \$2.95 per box initial charge for boxes. They will provide 24-hour access via website and onsite viewing. Storing of files will start at the beginning of January, 2019.

Neighborhood Stainability: (Tanja Mitchell)

Ms. Mitchell invited Dwan Gilliom with Allworld to give an update on Single Family Rehab and Alley programs that are on their way. Mr. Gilliom stated all construction contracts with Single Family Rehab have been executed and will post a pre-construction bid with contractors along with a notice to proceed on Tuesday, December 11, 2018 of all the homes in the Pilot Program. Due to holidays approaching, contractors will be required to start on or before January 3, 2019 with all repairs to be completed by mid-March, 2019. They are currently working on the second round of bid packages of the remaining homes in the program; expecting to be finished with the procurement process by mid-January with construction starting by early February. The alley improvement program has a working draft of the construction contract with Victor Hall along with the quasi-public improvement contract with the City of Memphis. Phase I of the alley improvement program must be approved by the City Council; in which, it will go before the City Council to approve the contract on December 18. After approval has been granted by City Council, Allworld will immediately post a reconstruction meeting and give the contractors a notice to proceed with construction starting on January 3, considering holidays. Construction Phase I consists of eight (8) alleys in the Uptown area, with the plan to take approximately 90-days with completion late March, 2019, if weather permits. Alleys that make up Phase II of the Alley Improvement Program including the Smart Green Alley in Uptown are under design with most of the design to be completed by early spring. A charrette was held with Uptown residents and other stakeholders to obtain input for the Smart Green Alley to present a formal presentation to the Board soon.

Board Member Cantor asked an estimate of when the second phase of the Single Family Rehab Program will start. Mr. Gilliom responded early February with bid packages going out in a couple of weeks. Board Member Cantor asked has the homes been identified. Mr. Gilliom responded; there are twenty-four (24) homes that have been identified and have contracts on six (6) of the twenty-four.

Tanja Mitchell stated that an email was sent out regarding the last community building event of year - 100 Plates and would like to see each Board member at the event.

Community Development: Memphis 3.0 Workable Program (Andrew Murray)

Andrew Murray stated the City of Memphis has been conducting the Memphis 3.0 planning process the last two (2) years. CRA has been identified as one of the primary tools in implementing Memphis 3.0. Mr. Murray passed out a map of community anchors from the Memphis 3.0 plan, which can replace the CRA's current Workable Program, for informational purposes. Mr. Murray stated he hoped to bring the Workable Program before the Board next month to amend our Workable Program to take out all the outdated maps and replace them with a master map. An email was sent out to Board members explaining the Workable Program and if there are any questions or concerns, Board members can contact Mr. Murray.

Finance and Status of Audit (Michael Ross)

President Willis explained that we are in the middle of our annual Audit and would not be able to disclose any information publicly at this time.

Michael Ross stated there have been conversations with the auditors and everything appears to be on track with state audit. There is couple of things that will need to be done:

1. Analysis letter.
2. The development of the notes for the audit, making sure notes is articulated correctly pertaining to debt.

A part of the Highland Row debt services reserve was used to pay the bond payment previously. We are not in any violation in any covenants in terms of using the Debt Services Reserve to make the bond payment. The debt is typically owned by the developer, but now has been transferred over to Preston Hollow, a group out of Dallas. Preston Hollow typically takes bond debt to place it in a trust, securitize the bonds, and pledge the income stream from the bonds. Because the bonds are being held in public hands he was reluctant to distribute highlights from the audit to the Board at this time. Mr. Ross will distribute in email information for review concerning collections history from the county and the City of Memphis and the processes of collections by TIF.

Board Member Cantor asked does the city do our accounting or do we handle our own accounting. Is it possible to get operating statements from the accounting firm? Mr. Ross stated that there are supporting documents to go along with the financial statements.

Board Member Miles Mason stated that there should be a schedule compiled to show what should is expected in terms of the information that the Board would like to see in financial reporting.

Board Member Langston asked if the financials can be moved to the finance committee to determine what information should be requested from the accounting firm.

Legal Updates: Monice Hagler – Counsel

Monice Hagler stated there are no pending claims. The litigation for condemnation has been set for trial on February 5.

VIII. COMMUNITY REDEVELOPMENT PRESENTATION: Warehouse District/Snuff Factory Buildings

Chairman Martin called for presentation from Mr. Scott Fleming. Mr. Fleming is the president of Fleming Architects along with Billy and Benjamin Orgel to give a brief overview of one of the projects we are looking to deliver in the Uptown area. Mr. Fleming stated in a couple of months they will be applying for funding for the first multi-phase project in the Conwood building (Snuff Factory) series of nine (9) buildings built between 1912 and 1922 that will be presented to CRA. The purpose of this development is to radiate from the center point surrounding the area around Keel and Front Street. This plan follows the Uptown plan the CRA has adopted. The Orgels' and their partners are focused on the Burkle Park area. A copy of the plan is attached to the minutes.

IX. UNFINISHED BUSINESS

Chairman Martin stated they are still working to organize a Board and staff retreat.

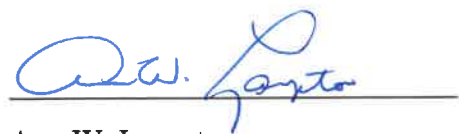
X. NEW BUSINESS AND OTHER ANNOUNCEMENTS

Board Member Cantor would like clarity of the Sunshine Law regarding open meetings and discussion between Board members. Board Member Langston stated the Board is supposed to the Ethics training every year and that will cover what is required and expected of Board members.

XI. ADJOURNMENT

With no additional business to be discussed; the meeting was adjourned at 10:15 a.m.

Respectfully submitted,



Ann W. Langston