

COMMUNITY REDEVELOPMENT AGENCY MEETING



City of Memphis and Shelby County Redevelopment Agency
City Hall, 125 N. Main Street, Room 477
Memphis, TN 38103
Thursday, March 1, 2018
8:30 a.m.

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

Also Present: Andrew Murray, Director of Planning and Community Development
Community Redevelopment Agency
Monice Hagler, Counsel for Community Redevelopment Agency
Felisa Cox, City of Memphis, Senior Attorney
Clara Harris, Principal Planner, Department of Planning, City of Memphis
Ida M. Bounds, Executive Assistant for Community Redevelopment Agency
Tanja Mitchell, Neighborhood Coordinator for Community Redevelopment Agency
Roselyn Willis, CRA President-elect

I. Chairman McKinley Martin called the meeting to order at 8:45 a.m. and a quorum was present.

II. MINUTES – February 1, 2018

Chairman Martin called for consideration of the Board minutes from February 1, 2018. There was no discussion. Upon a motion made by Board Member Ann W. Langston and seconded by Board Member R. Miles Mason, Sr., the minutes were approved.

III. PUBLIC COMMENTS

There were no citizens' comments.

IV. PRESENTATION FROM NPI ON UPTOWN EXISTING CONDITIONS SURVEY

Austin Harrison, program manager, at Neighborhood Preservation, Inc. (NPI) gave the report on the initial findings from the Uptown Conditions Survey and that was accomplished for the Uptown community TIF planning process. He reported they had completed the property survey in February 2018 and wanted to present an overview of their initial findings to the CRA Board. He reported they had surveyed 4,037 properties, which included a total of 2.4 square miles on the existing TIF and the Expansion TIF areas. He explained the survey was completed using the Loveland Technologies Mobile App. He also explained that the properties received scores ranging from one to three and had one team of three surveyors that they trained and supervised. He then explained each surveyor took a car and had one surveyor on the left side and one on the right side that drove through the entire area. He reported each surveyor was responsible for coding the property in terms of if it was a one, there were no noticeable issues; two was minor evidence and three was noticeable evidence with serious issues either a vacant lot, abandoned, high grass or a home that clearly showed physical sign of deterioration. He reported these decisions were made based on driving through the areas.

Mr. Harrison reported they also surveyed occupancy and it was really tough to determine if the property was vacant, if it looked occupied or mostly occupied for multi-family properties. He also reported there were some units vacant and some occupied or definitely looked unoccupied. He explained vacant lots were considered any sort of large industrial property, public parks or greenspace and they were given a one for potential assets. He also explained that a quarter of the properties surveyed in Uptown received a one, which is a good asset throughout the area, but in these surveys any neighborhood in Memphis you can also find assets and things to build on for planning and development. He then explained only 11% of the properties in Uptown received threes and found 38% of vacant lots and most of them were buildable lots and in good condition.

Mr. Harrison gave a brief overview of Loveland Technologies; Loveland developed the software used and had done the Motor City Mapping initiative in 2014 and the city survey for Detroit. He then reported they launched a new startup company after that project and their goal is to survey every parcel in America and want to give residents the ability to do their own property surveys. He explained the software is an app you can download on the phone, simple to use, very intuitive and makes property information easy to look up. He also explained they hired neighborhood residents in Cleveland and Detroit to survey their own property and they were walking around taking pictures with their phones. He then explained the residents and volunteers who were doing the surveys felt more ownership because this was a much more engaged way of doing the planning. He added this is their idea of making it a more actively engaged, planning process to use the residents to do their surveys. He explained they were able to survey 2,000 properties in a day and was able to do 4,000 in two days using this app. He also explained for planning purposes, the data collected is exported in a number of formats including a SAFE file, easy to map in different software such as Excel and Google Maps.

He explained the service offers three plans, but he recommends the Enterprise Plan because it is the best way to get the software out to everyone. The Enterprise Plan has unlimited users so anybody in Memphis can use it to download the app and start surveying the property. He further noted that the reason prices vary is because they also offer à la carte surveys, they will come and manage surveys for you but for the software itself and for unlimited users, \$10,000 is the base price. He explained that this could be a tool for Memphis to use to get residents engaged in the planning process. No Board action was taken.

V. PROPOSED USE OF CRA FUNDS FOR BINGHAMPTON TIF DISTRICT IMPLEMENTATION STRATEGY

Andrew Murray reported the Binghampton Implementation Strategy Proposal had been discussed at the last meeting and discussed at the Policies & Procedures (P&P) Committee meeting. Mr. Murray asked P&P Chairperson Langston, to give a recap.

Ms. Langston reported that as a recap, the P&P Committee recommends moving forward with helping the neighborhoods, particularly Binghampton, get started on their neighborhood community engagement piece, and the planning of that needs to move forward. She reported the Binghampton proposal was discussed in the P&P Committee meeting and the P&P Committee recommends that the CRA Board moves forward with the single family housing rehab program in Uptown; and that staff is in the process of getting that information out to the community. She also reported that planning has started and the process is already in the works. She then reported the Committee discussion with Binghampton and has agreed with Binghampton and the Committee recommendation is CRA to fund 50% of the cost which equals to \$38,297.50 of their planning money and the Binghampton Development Corporation (BDC) is to fund the remaining balance with philanthropic grants. She explained if the BDC cannot raise the remaining funds, the CRA would fund the balance. She further reported so everyone knows the Policies & Procedures Committee is having discussions within this group about where neighborhoods can go to get funding assistance to do these plans. She explained these are expensive processes and the P&P Committee hopes to be able to get the neighborhood some other funding so that the increment funding can be reserved to do projects in the neighborhood. She also explained that the P&P Committee continues to work on that and is trying to put some good policies and programs in place.

Discussion ensued whether or not language should have the dollar amount of fifty percent that was part of the recommendation from the February 15, 2018, Policies and Procedures Committee Meeting included in the Resolution. Board Member Cantor stated the Resolution fell short of saying what was discussed and agreed upon as a recommendation to the Board at the February 15, 2018 Policies & Procedures Committee Meeting. Chairman Martin reported he had looked at the notes from Committee meeting and he thought the main point was the last sentence and he changed the wording to read "that the CRA requires cooperation with the (BDC) in immediately requesting philanthropic dollars to assist with leveraging TIF funds to cover the costs of the implementation strategy. Board Member Spragling stated the Resolution covered everything except the fifty percent. Board Member Langston stated the Resolution says to assist with leveraging of funds and she thinks is fine. Board Member Langston explained this resolution is a recommendation from the Policies and Procedures Committee. Board Member Cantor moved to approve the Resolution with the suggested language changed from Chairman Martin which is to leave the fifty percent dollar amount out of the resolution; seconded by Board Member Spragling. The motion to approve the proposed use of CRA funds for Binghampton TIF District Implementation Strategy passed unanimously (5-0).

VI. RESOLUTION: MALONE PARK PROPOSAL

Andrew Murray reported that Andre Jones gave a presentation at the February 15, 2018, Policies and Procedures Committee meeting about the proposed plan to develop Malone Park. He also submitted a detailed Site Plan for the development. There were discussions during the meeting that CRA

already invested funds for environmental work on the site because it is a “Brownfield site” and the background information needs to be noted in the development of the site. He also reported Mr. Jones is asking for approval to execute a purchase option contract with the Memphis Land Bank for Lots 1, 2, 7, 12, 13, 14 and 15 at a purchase price of \$12,500.00 per lot. He then reported Mr. Jones has a 90-day due diligence period and a 90-day financial package deadline and the timeframe is basically 180 days.

Mr. Murray reported there were two types of feedback he received one from the Policies and Procedures Committee meeting and he had some discussions with some of the Board members since that meeting. He also reported one concern he has is that CRA is in the middle of the community planning process and do not know how the community is going to give their input in the pre-planning process. He explained there are a couple of different options. One is to wait, another is to approve it as is, and the third option is to add language to a resolution to say that CRA would ask Andre Jones to get approval from the newly appointed Uptown Community Advisory Committee (“UCA Committee”). He also explained if the Board wants to take action and vote on the proposal today, he can prepare the resolution and date it for the March 1, 2018 Board Meeting for final approval, but needed direction from the Board as to what language, captions or follow up information he needed to add.

Mr. Murray explained the second piece of input that he got was on the Option to Purchase and one suggestion was to add restriction language to the agreement to read the CRA is giving conditional approval only if Mr. Jones agrees to follow the plan that was submitted to the Board in the proposal. He further explained adding some clarifying language to the Option to Purchase and the resolution that CRA is not expecting commercial development on that site. He explained since MLB is selling this property and once it sold, CRA will not have any rights to what Mr. Jones builds on the property. Mr. Murray asked the Board for direction on how to proceed.

Discussion ensued about how to proceed with the proposed plan without having formed the Uptown Advisory Committee to review it. Board Members Langston reported the Policies and Procedures Committee recommended that Mr. Jones discuss the plan with the UCA Committee once they get in place and he agreed. It was discussed in the Policies and Procedures Committee meeting there has been neighborhood interest in seeing some development on the Malone Park site move forward.

Board Member Spragling stated that he did not have any hesitation voting on the proposal based on discussions at the meeting because it fits the market rate home request from the neighborhood itself. He also stated that Mr. Jones had come with a proposal and the option has 90 days. Board Member Spragling’s only concern is the purchase price itself because the P&P Committee or the Board did not have any documentation from MLB stating what was the per lot purchase price based on, and the rate that they were offering. He stated that he just wanted to double check that was what the P&P Committee recommended; and if all of that pans out, He was comfortable at making a motion today. Board Member Cantor reported that Mr. Jones told the P&P Committee that he needs to get control of the lots as an option to arrange financing, and that lenders would not take him seriously and would not be prone to engage in conversation unless they knew he had the property tied up. Mr. Cantor reported what Mr. Jones is trying to say if there is language in there that it has to be approved by the community group that it may impact his ability to secure commitment on financing.

Chairman Martin reported this would be one of the first items brought before the UCA Committee which we expects to vote on within the next fifteen days or so and it would be well within the due

diligence period so that it would not impact Mr. Jones' financing on the property. He explained he wanted to make sure before Mr. Jones went before the UCA Committee language be added to the Option to Purchase.

Chairman asked for a motion to allow the proposed plan for Malone Park Development to be approved without a resolution. Board Member Spragling moved that the Board approve the Purchase Option with the previously discussed covenants with the due diligence by Mr. Jones to start when the UCA Committee has been formed and consider the proposal. Board Member Cantor seconded the motion. The vote was unanimously to approve the Option to Purchase to sell the lots 1, 2, 7, 12, 13, 14, and 15 as seven (7) lots to Andre Jones, Jones Urban Development as part of one closing at a purchase price of Eighty-Seven thousand five Hundred and No/100 (\$87,500.00) based on the sale price of \$12,500 per lot.

VII. DISCUSSION: FIRE STATION PROPOSAL

Andrew Murray reported this item is more of a matter of information and that the City has spoken with Marty Regan and MLB about acquiring some property for a fire station between Bethel, Chelsea and 4th & 5th Streets.

Attorney Hagler explained that a representative from the City contacted the CRA and is searching for parcels for a new first station. She also stated that it has been directed to the Board because the CRA directs how the property is used. She then explained that they have information that it may be part of a plan for Habitat so staff needs to do more investigating and determine if they want to move forward with it and then come back to the Board with recommendations. Board Member Langston suggested that this proposal to go before the UCA Committee. Board Member Cantor reported during discussions at the February 15, 2018, Policies and Procedures Committee meeting, there were some concerns about neighbors having a fire station next door to them and hearing sirens all night. It was also reported the potential location is near a senior facility. Attorney Hagler suggested that the staff recommendation will determine if this should go before the committee as CRA had not received a formal proposal.

There was a consensus with the Board that Andrew Murray talk with Marty Regan and get an update before the March 15, 2018, Policies and Procedures Committee meeting and that a staff recommendation would be sent to the Policies and Procedures Committee before the UCA Committee became active. No Board action was taken.

VIII. CRA STAFF UPDATE: MONTHLY FINANCIALS, RFPs, SINGLE FAMILY REHAB, UPTOWN PLAN, CONSTRUCTION MANAGEMENT SERVICE CONTRACT

Financial Report

Mary Lynn Seale, Finance Manager, for the Memphis and Shelby County Division of Planning and Development (OPD) stated that she has completed the final accounting work for the CRA and will turn it over to Alexander Thompson Arnold (ATA), the accountants. She explained she was asked to come and give an update about the financials when she ended her analysis which was through

December 31, 2017. She explained the auditors presented an official audit of CRA under OPD as of June 30, 2017 at the January 4, 2018 Board Meeting and her report is six (6) months later.

Ms. Seale reported that the CRA funds are kept in four different locations; Shelby County Trustee, City of Memphis General Fund, the City CRA funds and Highland Row Project fund which is in the Regions Bank for the Highland Bonds. Ms. Seale reported CRA has a little over \$19 million dollars in cash in the Uptown account. She then reported CRA has \$1.2 million dollars for Highland Row, but the problem was that the CRA does not have enough money in the account at Regions Bank to make the next Bond payment, which is due April 1, 2018. She further reported that funds will need to be transferred to Regions Bank in order to make that Bond payment; CRA has the cash at the Trustee's Office. She also reported CRA has a little over \$1.5 million dollars in operating funds and again spread out over the several locations, and explained that she had met with the accountants, ATA, and had gone over the financials which she prepared as of December 31, 2017, with them and they are ready to begin the transfer. She further reported she sent an email to Andrew Murray and is waiting for the CRA new staff to issue the Memorandum of Understanding (MOU) to OPD; so that the "new CRA" can take over the responsibility and authority of the money going forward.

Andrew Murray reported he has been working on MOUs with OPD and the Shelby County Trustee. Attorney Hagler reported an alternative is to make it a three party agreement. She also reported there is an agreement in place for OPD but they have not initiated the execution yet.

Cathy Messerly announced that she and Holly Chambers are with ATA, CRA accountants and that Ms. Seale has been very helpful during the transition. She explained that they are in the process of getting everything merged together including the Tri-State bank accounts. She also explained they have been processing and scanning all of Ms. Seale records. She then explained the main difference between what Ms. Seale has and what ATA has now is \$119,000 less cash because of expenditures that have been made out of Tri-State Bank account. (She explained they have the copies of the CRA bank statements from Tri-State Bank for the Uptown TIF account and the operating account.)

Ms. Chambers reported that Ms. Seale did not have any of the banking information from Tri-State Bank and did not have access to the Tri-State bank accounts so they have taken records, the auditor's report and added Ms. Seale balances from the December 31, 2017 statement. She then reported they will review the books from December 31, 2017. She further reported that they received the information from Ms. Seale from December 31, 2017, two weeks ago, but they need the authorization to get the information from the Trustee Office, Regions Bank statements and all other pertinent information so that they can update all of the information. She explained that if they do not receive the authorization, they will not have any ability to conduct any sort of transactions; they cannot move money, deposit money, and withdraw money. She also explained they have no authorization except preparing checks and what is authorized by the Board and sent to them to process. Ms. Messerly stated that in order for them to provide a full financial report, they will need access to the schedules from the Trustee Office and the City accounts. Chairman Martin reported a general resolution was approved when Cannon and Company (now ATA) was hired, but now CRA will need to do an amended contract. Andrew Murray reported he had not received a response from the Trustee's Office, but is hoping once the MOU is signed, the relationship Mary Lynn Seale had with them will be the relationship for the new CRA staff.

Single Family Rehab

Tanja Mitchell reported today is the day that CRA will roll out the Single Family Rehab Program to the public and they are having a meeting on March 1, 2018, at 5:30 at Bridges. She also reported that the notice was published in the Tri-State Defender and Commercial Appeal newspaper. She then reported it was through email, Next Door and the word is out, and she thinks they will have a good turnout. Lastly she stated that she and Mr. Murray will speak to the public and tell them about the program.

Uptown Plan and Construction Management

Andrew Murray reported that he is working on the construction management service contract, alleyways, and the Single Family Rehab program is in the planning process. He provided a report as requested by Board Member Spragling on the services PGAV provided to the CRA as part of their contract. He also reported that he and Ms. Clara Harris had done most of the work during this contract.

620 Woodland

Ms. Harris reported that this item was not listed on the agenda but this is a report on a rehab project that was left over from all of the work that was done with the Master Developer. She reported there is an agreement that the Chairman needs to sign in order to perform some additional and corrective work at 620 Woodland. She also reported the total amount to perform the scope of work requested by the homeowner is \$2,705.00 and the agreement is between Habitat, the owner and the CRA.

Presentation from Oasis Enrichment Center (OEC)

Andrew Murray explained Oasis of Hope (OEC) had been a great partner with the CRA in the past and he and Tanja Mitchell had a great conversation with them. Terry Hoff gave a presentation about the services that Oasis of Hope provides to the Uptown community. He reported that he wanted to introduce the organization to Board members and that Tanja Mitchell knows them very well. He stated the organization was formed as part of Hope Presbyterian Church seventeen (17) years ago. He also stated they have been in the neighborhood ever since and are currently located on the northern end of Uptown. They have a holistic approach to community development. He then stated their space is located in the back third of Bickford Community Center and OEC have allowed them to expand the program. He explained their current programs include an after-school program Monday through Thursday and it provides academic help, physical, social, emotional and life skill help for children grades two to twelve. He also explained that they have a reading enhancement program for elementary students and a Pathfinder's program for middle school students to assist with the transition period in their life. He then explained they have a Life Builder program which is more career-minded for high school students as they are planning their next steps after high school. He stated that they have some fun programs such as Warrior Princesses and Lion's Cage Club for elementary students and have holistic outreach programs Monday through Saturday.

Mr. Hoff reported that OEC has a volunteer income tax program so neighborhood residents can file their income taxes free. He also reported they have adult counseling on an as needed basis, appliance and furniture stores where they provide products less expensive than residents can get elsewhere. He then reported that they use the appliance and furniture stores for on the job training for appliance technicians, customer services, pickup and delivery and sales, and that they have a summer Intern Program for high school children to learn those skills in the stores. He stated that they have a daily

senior citizen ministry Monday through Friday at the Bickford Community Center and have over one hundred twenty (120) seniors in attendance.

He reported that they also do affordable housing of which they are well known for the development in Bearwater Park, where they partnered with Habitat and Promise CDC to develop the site formerly known as Cedar Park Apartments. He stated that they have a beautiful subdivision and there are five (5) vacant lots left at Bearwater Park, and that he and Crystal Chopin are in the process of applying to the Tennessee Housing Development Agency (THDA) for a grant, but they also need some matching funds. He stated, at some point, OEC may have to ask the CRA for matching funds.

IX. NEW BUSINESS


Chairman Martin reported that he wanted to have the Board Training and Vision Retreat after Ms. Willis' start date and probably will be at the end of April 2018 or beginning of May 2018. He also reported elections for Board members will be in April 2018.

Chairman Martin asked President-elect, Rosalyn Willis if she had any comments. She stated she was happy to be at the meeting and was excited about what she will be doing for the CRA. She also stated she had received a lot of calls and text messages of congratulations. She then stated she had completed the work on Foote Homes, which is a huge milestone and is trying to wrap things up at McCormack Barron Salazar. She explained she had been thinking about some ideas that would be good for a Board Retreat; we will sort of talk outside of the box. She stated she believes in innovation and fresh ideas are always welcome. She stated she officially starts at the CRA on April 9, 2018.

X. ADJOURNMENT

There being no additional business, the meeting was adjourned at 9:43 a.m. The Policies and Procedures Committee will meet Thursday, March 15, 2018 and the next CRA Board Meeting will be Thursday, April 5, 2018.

Respectfully submitted:


Ann W. Langston