

COMMUNITY REDEVELOPMENT AGENCY BOARD MEETING



Board of the City of Memphis and Shelby County Redevelopment Agency

Downtown Memphis Commission (DMC)

114 N. Main St.

Memphis, TN 38103

Thursday, February 6, 2020

8:30 a.m.

Board Present:

McKinley Martin Jr. – Chairman
Sam Cantor – Treasurer
Britney Thornton
Ann Langston – Secretary
Kevin Spragling
Dynisha Woods
Miles Mason – Vice Chairman

Also Present:

Rosalyn Willis – President, CRA
Andrew Murray – Director of Planning and Community Development,
CRA
Lisa Ivy – Administrative Assistant/Office Manager, CRA
April Simmons – Director of Vision and Project Management
Monice Hagler – (CRA Counsel)
Amber Floyd – (City Attorney)

Visitors:

V Lynn Evans
Mary Warren (Uptown Advisory Committee)
Lenell Burton (Uptown Advisory Committee)
Alan Higdon (Uptown Advisory Committee)
Michael Hooks, Jr. (Allworld)
Billy Orgel (Wolf River Holdings)
Jay Lindy (Wolf River Holdings)
Michael McLaughlin (Wolf River Holdings)

Visitors:

Tamara Redburn (Fleming Architects)
Lindsey Hearon (Kimley-Horn)
Tre Yancy (Fleming Architects)
Darrell Thomas
Cody Fletcher (University Neighborhoods Development Corporation)

A meeting of the Board of Directors (“Board”) of the City of Memphis and Shelby County Community Redevelopment Agency was held on Thursday, February 6, 2019. 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. Approval of MINUTES – December 5, 2019 (Board Action)

Chairman Martin called for approval of Board minutes from December 5, 2019. Upon motion made by Board Member Ann Langston and seconded by Board Member Sam Cantor, minutes were unanimously approved by the Board.

III. PUBLIC COMMENTS

There were no public comments.

**IV. APPROVAL OF UPTOWN ADVISORY COMMITTEE MEMBERS
(Board Action)**

Chairman Martin called for Board action approval of Uptown Advisory Committee Members. Mr. Andrew Murray presented two recommendations from CRA staff. The first is Valerie Peavy from Office at Uptown who was on once before and decided to come back and Mary Ward who is Community Director of Development for Promise Development Corporation for the Bickford/Bearwater area. Chairman Martin called for a motion to approve the two (2) recommendations for the Uptown Advisory Committee. Upon motion to approve the two (2) recommendations for the Uptown Advisory Committee by Board Member Kevin Spragling and seconded by Board Member Ann Langston. The Board unanimously approved to appoint Valerie Peavy and Mary Ward to the Uptown Advisory Committee.

V. RESOLUTION 2620B: AUTHORIZING FINANCIAL ANALYSIS STUDY BY PFM

Chairman Martin called for Resolution 2620B – Authorizing Financial Analysis Study by PFM Financial Advisors LLC. President Rosalyn Willis stated there had been several meetings with the Chief Financial Officer of the City of Memphis concerning Highland Row, it was recommended to hire a professional to conduct an analysis of payments, we are asking for the signing of an engagement letter. Chairman Martin called for a motion authorizing a financial analysis study by PFM. Upon motion authorizing a financial analysis study by PFM by Board Member Sam Cantor and seconded by Board Member Dynisha Woods. Board Member Cantor asked if PFM has done work for Preston Hollow; if so is, that considered a conflict of interest? President Willis stated that she met with them and PFM stated that would not be a problem, but we will confirm. The Board unanimously approved to authorize PFM to conduct a financial analysis for Highland Row.

VI. APPROVAL OF THIRD AMENDMENT TO TEMPORARY USE AGREEMENT FOR ALSAC at 544 JACKSON AVENUE (through February 29, 2020) (Board Action)

Chairman Martin stated there is a need for a Third Amendment to Temporary use Agreement for ALSAC as the CRA is still in negotiations regarding the lease. Board Member Cantor inquired: What is the issue with the negotiations? Chairman Martin replied, there were some issues around the length of time of the agreement. President Willis stated she had spoken with Chief Doug McGowen; he is supportive to not have the property tied up for the long term. Board Member Cantor asked: What if the Board does not agree to extend the lease another month? Counsel Monice Hagler stated if an extension is not made the agreement will terminate. Chairman Martin called for a motion for approval of the third amendment to the temporary use agreement for ALSAC at 544 Jackson Avenue. Upon motion of approval of third amendment to temporary use agreement for ALSAC at 544 Jackson Avenue through February 29, 2020 made by Board Member Langston and seconded by Board Member Thornton, the Board approved of third amendment to temporary use agreement for ALSAC at 544 Jackson Ave through February 29, 2020 with six (6) in favor and one (1) abstained.

VII. RESOLUTION 2620A – RESOLUTION REGARDING PENDING SALES CONTRACT FOR HIGHLAND ROW DEVELOPMENT – PARKING AND ASSIGNMENT(S)

Chairman Martin called for Resolution 2620A – Resolution Regarding Pending Sales Contract for Highland Row Development – Parking and Assignment(s). Counselor Hagler stated the Resolution before the Board is to consent to assignment of the parking garage use agreement at Highland Row. Millhaus (the Developer) has entered into an agreement to sell the apartments at Highland Row; related to that is a parking garage for which the CRA Board provided bond

financing. There was a parking and use agreement to go along with the project. Counselor Hagler also stated, the buyer's (Forge) ask is for the Board to consent to the transfer assignment and use of the operating agreement along with the purchase of the property. This is requested for the underwriting for the lender The Board has been reviewing the public use of the garage; and has asked the current operator and Forge, the pending purchaser, to agree to specifics regarding the public use of the parking garage. There is a memorandum of understanding which outlines the specifics regarding the and use of parking for public use of the garage. There is surface parking for approximately 365 spaces; the parking garage holds about 560 spaces. There is parking for residents, retail, and general public use. The purchaser has provided information stating they will be going to a parking system that allows payment by credit card etc.; as well as, the first three (3) hours of parking will be free. Before the Board is to consent to the assignment, they recognize that there will a recording of a memorandum of understanding regarding the parking use operating agreement; as well as, the memorandum of understanding regarding the public use of the parking garage.

Chairmen Martin called for a motion. A motion was made by Board Member Langston and seconded by Board Member Spragling for the approval the memorandum of understanding. Chairman Martin asked if the accessibility of the parking is in line to what the community asked. Counselor Hagler responded that she is not able to confirm with what the community were asking, but, based on the Board agreement regarding the parking use, it will accessible for the public, for retail, and for the employees that work in the area as well as the residences. Board Member Cantor asked Justin Starling with Bass Berry will there be signage to direct where the public parking is located. Mr. Starling stated that the client was planning to put up signage, the front gate entrance was intended to be for the residence, and the back entrance is the public use because that is where the retailers are. Board Member Dynisha Woods asked: Does the liability of insurance lie with us? Counselor Hagler answered Forge will provide the insurance with CRA being an additional insured. The Board unanimously approved the pending sales contract for Highland Row Development – Parking and Assignment(s).

VIII. PRESENTATION: SNUFF DISTRICT TIF REQUEST (Board Action)

Chairman called for a presentation by Snuff District TIF request. Billy Orgel requested that the CRA staff present their recommendations first. Staff member Andrew Murray distributed presentation packets. Mr. Murray asked members of the Board to turn to page three (3) outlined in orange the summary of the staff recommendations. Mr. Murray stated:

“The CRA staff does not recommend CRA Board the approval of the funding request as presented in the application and addendum. The CRA staff fully supports the Snuff District project as a whole and believes the project has the opportunity to make a tremendous positive impact on the area. However, there are various concerns that make it difficult for the CRA staff to recommend the CRA Board approve TIF funding for the project as requested.”

Mr. Murray asked that the Board see the very last part of the report concerning reimbursement of previously expended funds. (For more information please review the attached application and response of staff recommendations).

The CRA Staff recommends authorizing a redevelopment agreement to pay \$260,000 to pay the costs that have not yet been incurred and create an agreement that enables the Developer to move forward with the project while answering some of the questions that were brought up at the last meeting. Approximately about a year ago the Board authorized the CRA staff to put out an RFP for consultant teams, the CRA has those teams on board. The staff recommends using these teams to continue addressing the big issues (infrastructure) that we are currently working on.

Chairman Martin asked if this should be one motion. Counselor Hagler stated the motion should be to move forward on Items 1 and 2 of the request. Billy Orgel of Wolf River Holdings stated that the issues were addressed, and they are asking for the removal of debris and blight. Mr. Orgel stated that a master plan cannot be given because we are unsure of how the issues will be addressed. Chairman Martin asked once the clean-up is done who will maintain the property. Mr. Orgel stated they will maintain the property.

Mr. Murray stated in the original ask is for reimbursement for the master plans, which is Phase I and the current request are the same; therefore, CRA cannot reimburse items that have already been completed. Board Member Cantor stated the Developer may have done themselves a disservice when the original request and the addendum were changed. Mr. Murray noted that there are four (4) sites receiving a PILOT. By policy of the Board, TIF funds cannot be spent on PILOT parcels. The second item (first request for funding) is the area of the west of the flood walls, for which the Developer's request is considered pre-development funding that is on private property, and it unclear of the final use of the property. The third item (second request for funding) is for right-of-way / public infrastructure which is critical for Billy Orgel team to get their project complete. The CRA has the ability, working directly with Robert Knecht, the Public Works Director, Doug McGowen- COO, and the City; to review this entire area comprehensively. For example, the CRA has already completed a plan for stormwater for the area. The CRA can solve a lot of those issues reflected in Wolf River Harbor Holdings' ultimate request. The CRA and our Project Manager can work directly with St. Jude, Snuff District, and others including the Brewery to make this happen. Board Member Langston asked is there any issues with the coordination of projects to move forward. Mr. Orgel agreed there were no issues in coordinating with other businesses in the area.

Chairman Martin asked if the Board was comfortable with voting or if this item should be tabled. There is some confusion with the addendum concerning the reimbursement and the policy of the CRA. Board Member Woods asked if the three bullet points were addressed in the addendum. Chairman Martin stated the blight was the only point addressed. Board Member Cantor questioned if Wolf River Harbor Holdings is asking CRA to clear the area, what will be placed in the area? Mr. Orgel stated they are trying to master plan 60 acres, but their plan still remains the same, to put Single Family housing which is not gated and a place for people to walk their dogs. Upon a motion made by Board Member Mason to approve the Developer's request, seconded by Board Member Spragling, the Board voted on the application/amendment with the addendum.

The Board voted as follows: three (3) in favor, two (2) opposed, and two (2) abstained. The motion failed.

IX. PRESENTATION: CBiz FY 2017 – 2018 ANNUAL AUDIT

Chairman Martin called for a presentation of the Annual Audit. V. Lynn Evans introduced the external auditors from CBiz: Jason Pittman and Michael Broy. (For more information, please see attached audit letter).

X. ACCEPTANCE OF THE FY 2017-2018 ANNUAL AUDIT

Chairman Martin called for a motion to accept the FY 2017-2018 Annual Audit. Upon a motion made by Board Member Cantor, and seconded by Board Member Mason, to accept the FY 2017-2018 Annual Audit, the Board unanimously voted to accept the FY 2017-2018 Annual Audit.

XI. OLD BUSINESS/NEW BUSINESS AND OTHER ANNOUNCEMENTS

There is no old or new business.

The CRA Personnel Committee meeting will be held February 27, 2020 at 8:30 a.m. at the CRA Office.

The next CRA Boarding meeting will be held March 5, 2020 at 8:30 a.m. at the Downtown Commission.

XII. ADJOURNMENT

The meeting was adjourned at 10:45a.m.

Respectfully submitted,



Ann W. Langston