

COMMUNITY REDEVELOPMENT AGENCY BOARD MEETING



Board of the City of Memphis and Shelby County Redevelopment Agency

Virtual teleconference via. Go To Meeting

Thursday, September 3, 2020

8:30 a.m.

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

Absent:

Also Present: Rosalyn Willis – President, CRA
Andrew Murray – Director of Planning and Community Development, CRA
Cynthia Durham – Administrative Office Manager, CRA
Lisa Ivy – Single Family Project Manager, CRA
V. Lynn Evans – Auditor
Monice Hagler – (CRA Counsel)

Visitors: Andre Gibson (Shelby County)
Joe Fletcher

A meeting of the Board of Directors (“Board”) of the City of Memphis and Shelby County Community Redevelopment Agency was held on Thursday, September 3, 2020. All Board members were present.

I. CALL TO ORDER

Chairman McKinley Martin called the meeting to order at 8:36 a.m. and a quorum was present.

II. Approval of MINUTES – August 6, 2020 and August 27, 2020 (To Be Approved by the Board)

Chairman Martin called for approval of Board minutes from August 6, 2020. Upon motion made by Board Member Kevin Spragling and seconded by Board Member Sam Cantor, minutes were unanimously approved by the Board using roll call method.

Chairman Martin called for approval of Board minutes from August 27, 2020. Upon motion made by Board Member Ann Langston and seconded by Board Member Sam Cantor, minutes were unanimously approved by the Board using roll call method.

III. PUBLIC COMMENTS

There were no public comments.

IV. Board Action: Resolution 90320A Approval of contract for Uptown West Infrastructure work

Chairman Martin asked President Willis to give some background information on the project for the Uptown West infrastructure work. President Willis stated that the purpose of this resolution is implementing the public infrastructure work in Uptown West. She said that all of the necessary steps have been taken to get to the point where construction can begin, and CRA is recommending that the award of this go to a company called Acuff Enterprises. This contract is for approximately four (4) million dollars.

President Willis said that this is Phase I of the work that CRA agreed to do in that area which includes improvements in conjunction with the Conwood, Elmington, and other projects. She attached all pertinent documents for the Board to review. She announced that Mayor Jim Strickland has already signed off and that the Board Chairman has signed off on the contract with the City of Memphis. She reported that CRA received four responses and negotiated with the most responsive bidder that submitted. She stated that unless there were additional questions, she would like to move forward with this.

Chairman Martin asked if there were any questions or comments. Board member Sam Cantor asked for clarification on the amount of the project and President Willis confirmed that it was for approximately four (4) million dollars.

Chairman Martin called for the approval of the \$4,000,000 Uptown West infrastructure project. Upon motion made by Board Member Sam Cantor and seconded by Board Member Kevin Spragling, the \$4,000,000 Uptown West infrastructure project was unanimously approved by the Board using roll call method. There was no response from Dynisha Woods due to a faulty electronic communication.

V. Board Action: Resolution 90320B - Supporting the redevelopment of the historic Porter Leath buildings and authorizing the CRA to enter into an agreement with Porter Leath regarding purchase and/or redevelopment

Chairman Martin asked President Willis to give an explanation for Resolution 90320B. President Willis gave a brief explanation while explaining that this was a last-minute situation. She pointed out that CRA has been searching for a place to relocate long-term for the agency. President Willis spoke with Porter Leath at the end of 2019 but at the time there were other interests. Fast forward, she pointed out that those situations did not work out for Porter Leath. President Willis then expressed interest in visiting the campus and the facility, which took place. She stated that she mentioned this to certain Board members and that member Sam Cantor visited the site as well.

President Willis explained that the situation is complex, and will be complex, but that there is a move-in-ready building currently being used that CRA can move in to right away (once the occupants move out). This building can be made CRA's Office. There is three acres of land that CRA can do some low-density development on. There is also park area green space that would serve the entire campus. President Willis stated that on the property Porter Leath is currently running their head start program as well as a residential program for children that are waiting to be placed in foster care. There is also the historic building, which is the lynch pin of this entire situation.

President Willis reported that the building is in bad shape and will require a lot of money for restoration. Porter Leah is close to filing for a demolition permit. She stated that if an agreeable situation can be worked out the historic building will be saved from being demolished. The appropriate consultants would have to be worked with to reprogram and restore the historic building. She said that the building is solid and that it will take restoration funds that no one has been able to justify spending. CRA can make the justification, plus the funds are in the TIF. She pointed out that this is a very iconic building for the neighborhood as well as the City of Memphis. Historically the building was an orphanage at one time, going back to the 1850s.

President Willis stated that CRA's resolution is to have the Board to approve CRA researching this matter further and negotiating with Porter Leath's foundation on an agreeable arrangement. She stated that it might involve a sale or a long-term lease, etc. -- the kind of structure has yet to be determined. She concluded by saying that this proposition holds a lot of promise for serving the agency. President Willis welcomed questions. She added that the historic building is on the national register. She encouraged the Board to read about the agency and the historic significance of the building as well as to obtain more background information.

Chairman Martin clarified what the resolution entails and President Willis agreed that he was correct. He asked if the Board had any questions. Board Member Sam Cantor asked if the Board was authorizing CRA to investigate the property only? President Willis answered yes.

Board Member Anne Langston commented that she also encourages Board members to drive by the area to look at what is potential for Uptown and areas that CRA has expanded into. She stated that this is a very critical piece of that community both historically and the size of the property, as well as the organization that is there. She asked that the Board view a map, look at the history and/or drive by the property.

Chairman Martin called for the approval of Resolution 90320B -Supporting the redevelopment of the historic Porter Leath buildings and authorizing the CRA to enter into an agreement with Porter Leath regarding purchase and/or redevelopment. Upon motion made by

Board Member Anne Langston and seconded by Board Member Sam Cantor, Resolution 90320B was approved by the Board using roll call method. There was no response from Dynisha Woods due to a faulty electronic communication.

VI. PRESENTATION: CRA Financials and Update on Audit (Attached)

Guest CRA Auditor Lynn Evans stated that the June 30, 2020 financial statements were not being presented today. She is awaiting some final information so that the year-end close can be completed. She said that within the next few weeks the June 30, 2020 financials should be available.

Guest Lynn Evans reported that CRA continues to have positive cash flow with over \$8,000,000.00 in cash as of June 30, 2020. All bond payments, payroll taxes and accounts payable are current. She said that as previously reported, due to the pandemic the external auditors have estimated the 2019 audit start date to be around mid-September. The goal is to start the 2020 audit immediately after the completion of the 2019 audit.

Board member Sam Cantor questioned some of the numbers on the Expenses by Vendor Summary report. He asked why CRA has paid Adams Keegan \$577,000.00 for payroll benefits administration. Guest Lynn Evans stated that this amount represents all payments to Adams Keegan for the entire fiscal year (July 1, 2019 through June 30, 2020) which includes staff salaries. She recommended that the Board review the May Financials provided earlier to see a breakdown by category.

VII. STAFF REPORTS AND UPDATES

Chairman Martin called for staff reports.

Program Updates: President Rosalyn Willis reported on her 10 Key Updates (to be emailed to the Board).

- 1) One key milestone is that CRA passed a resolution involving the infrastructure for Front Street/Keel/Main. CRA will have installed; the storm drainage line, new sewer main, water main and electrical going underground for a certain section of the area. Next steps will involve negotiating and putting together the contractual documents with the general contractor.
- 2) President Willis has reviewed and classified all expenditures for 90% of the files for the Single-Family Homes Program. The report will be emailed out well before the next Board meeting. She pointed out that over 100 applications have been received. She stated that all applicants have been made aware that the program is on hold due to the pandemic.
- 3) President Willis had anticipated having Pennrose to be a part this meeting, instead they will participate in October's meeting. President Willis asked that a Finance Committee meeting be scheduled for the end of September so that the committee can go over the model before it is presented to the full Board for approval. They will be utilizing equity from 4% low income housing tax credits, getting housing vouchers from the Housing Authority and they will have a mortgage so they are requesting, at Rosalyn's suggestion, that CRA loan the project the gap funding that they need with favorable terms which will return money back to the agency long-term and will allow for very low income seniors to be able to live in the facility.

- 4) The North of Poplar Infill Project from the Medical District, review of those documents is underway. CRA is tediously going through everything trying to predict when CRA might get to a closing with this project. President Willis hopes that within the next four to six weeks CRA will start project calls.
- 5) The Single-Family Home ownership initiative with Habitat is underway. As part of CRA's vision for 2020 the plan is for Habitat to build 27 homes between now and late Spring 2021. Nine homes will close in September, an additional 11 homes will close in November and the balance of 7 homes will close in late Spring, 2021. All of the homes are under construction and sold. CRA agreed to help Habitat with this initiative and is currently waiting on documentation from them so that CRA funding can be put into the project.
- 6) Lights, Camera, Action is moving forward, although CRA is having to have conversations with the engineering department on how they are going to sign off and inspect the work being done due to the fact that they are not fully equipped to take this on as city staff; and, therefore, this detail is being worked through in hopes of getting things up and running again soon.
- 7) Discussions with consultants have begun about 299 Chelsea. The building is full of lead and asbestos so CRA will start with remediation first followed by working with the structural engineer and architect to stabilize the building to the point where it is safe to enter. Some time in 2021 the public engagement session will be held to hear people's ideas about how this structure should be programmed. President Willis gave some background information pointing out that this building is one of the few significantly historic buildings that still stands in the community at this time.
- 8) 167 Chelsea (the Pinball Building) has been demolished and removed. The contractors are sending close-out documents to CRA. CRA will have the general contractor doing infrastructure work to stage their construction (in a job trailer) over the duration of the project. This work is expected to take from 12 to 14 months.
- 9) The Conwood project is projecting that this time next year they will be opening.
- 10) The Elmington project is projected to be completed in Spring 2021. CRA will be right there with them so that they can tie their final building into the infrastructure systems that CRA is building out.

Highland Row TIF: President Willis said that CRA had requested a meeting with the Board of Equalization but that it was postponed. She stated that the situation is complicated, that 9 or 10 houses are under construction, but they have sold quite a few homes and some homes are already occupied. She said that between that additional increment coming into the TIF and trying to get the low assessment problem worked out before the Board of Equalization, it will help with CRA being able to meet debt services payments over time.

President Willis announced that CRA's newsletter 'The Beacon' is ready and is out! There will be an on-line version of the newsletter. She pointed out that an assessment was taken by CRA that shows that over ½ of the people in the Uptown area do not have access to a computer. The newsletter will be distributed throughout the community, in print form, in order to stay connected to the community and let the people know what CRA is doing.

President Willis reported that the initial response from the community is that everyone is really happy to see the newsletter. All Board members will be receiving a copy of Volume I of The

Beacon. Board members will also receive a map showing where the Single-Family homes are located in order to accompany them in being able to find the neighborhoods and locate the houses to see where the work is taking place.

President Willis stated that CRA is working on the next addition of the newsletter and have started a build out of the website and the social media strategy. CRA will be evaluating this over the next six months. She said that the consultant may be calling Board members to ask for their participation. She stated that a few other projects are still being pushed out in hopes of getting them completed.

President Willis included in her update the news that the City has signed off on the MOU for Morris Park. CRA will be putting out the bid package soon.

Chairman Martin thanked President Willis for keeping the Board updated. He asked for her general input on the pandemic's effect on everything that she had planned this year; whether she sees CRA catching up after falling behind or is CRA basically learning to live with what CRA is currently having to do? President Willis replied that "it's a new day" and that at this point CRA does not know if it will be able to do community engagements and some of the planned events. She said that CRA is talking with some of the other partners about this issue. She stated that she is not fond of the electronic calls because of the distance that it creates between CRA and interaction with the community. She said that CRA is still processing but she acknowledged that this situation has created time to get office work done productively.

Chairman Martin thanked President for her input and expressed gratitude for what she and her staff continue to do. He conveyed good wishes to the CRA staff and their families as well as to Board members and their families.

Board Member Cantor requested an updated on the PFM report. He asked if the administration needs to see a copy of the report and if the report has been forwarded to Shirley Ford? President Willis stated that PFM provided Shirley Ford with a copy.

Board Member Cantor asked a question concerning the Expenses by Vendors Summary. He inquired why Hawk's Tree Service numbers amounted to over \$600,000. He asked if CRA would do more good by hiring multiple firms, thereby spreading the wealth around. He also questioned whether this contract needs to be bid out to the City's list of certified vendors. President Willis explained that Hawk's Tree Service works with and pays another company to help them complete the tree cutting projects. She stated that Hawks' prices are very reasonable for all that they do. She said that however, CRA can look into hiring other vendors but that she believes that others will not be as competitive as Hawks Tree Services.

Board Member Cantor's second question was in reference to outside administration expenses (e.g. Adams Keegan's payroll maintenance, legal fees/\$325,000.00, accounting fees/\$125,000.00) which adds up to over \$1,000,000.00. He requested a CRA organizational chart/staffing plan report that shows what each staff's job responsibilities are and what CRA's current and future staffing needs are. He also wants to know in what ways the administrative contractors are filling staffing needs. He suggested that possibly CRA needs to fill a slot(s) that are not currently filled in order to replace some of the outside firms that CRA is currently using (e.g., hiring a CFO or an in-house Attorney).

Chairman Martin said that he wants to have a Personnel Committee meeting to discuss these valid agenda issues.

Board member Thornton asked for a vendor list that highlights how many minority contractors there are.

- 1) She wants to know how many possible applicants there are for the Single-Family Rehabilitation Program versus the 100 applications received.
- 2) She wants to get a Needs Assessment done to determine if there are any barriers to people being able to access the program, e.g. back taxes. She also wants to know whether or not this is a matter that CRA needs to find another service provider to address -- is there anything CRA can do to close the gap? She asked "how on track is CRA to being able to serve the people who have interest in this program? "
- 3) She enquired if there have been any discussion on possibly having a Board Retreat in 2020.

Board member Thornton gave kudos to the finance team. She stated that the recent Board meetings have been extremely helpful and insightful and that she is truly impressed.

Chairman Martin asked that Board members please forward all specific questions to President Willis so that she can research and follow up with a reply.

VIII. UNFINISHED BUSINESS

No unfinished business was reported.

IX. NEW BUSINESS AND OTHER ANNOUNCEMENTS

The next CRA Board meeting will be held October 1, 2020 at 8:30 a.m., virtually.

X. ADJOURNMENT

The meeting was adjourned by Chairman Martin at 9:28 a.m.

Respectfully submitted,



Ann W. Langston, Secretary