

COMMUNITY REDEVELOPMENT AGENCY BOARD MEETING



Board of the City of Memphis and Shelby County Redevelopment Agency

Virtual teleconference via. Go To Meeting

Thursday, March 4, 2021

8:30 a.m.

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

Absent: Miles Mason – Vice Chairman

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

Visitors: Joe Fletcher (Attorney, City of Memphis)

A meeting of the Board of Directors (“Board”) of the City of Memphis and Shelby County Community Redevelopment Agency was held on Thursday, March 4, 2021. All Board Members were present except for Miles Mason.

I. CALL TO ORDER

Chairman McKinley Martin called the meeting to order at 8:35 a.m. and a quorum was present.

II. Approval of MINUTES – February 4, 2021 (Board Action)

Chairman Martin called for approval of Board minutes from February 4, 2021. Board Member Sam Cantor made a motion and Board Member Ann Langston provided a second. February Board meetings minutes were approved unanimously by the Board via roll call.

III. PUBLIC COMMENTS

There were no public comments.

IV. STAFF REPORTS AND UPDATES

President Willis started by confirming that the Board had received the email that was sent out in reference to the submittal of the audit to the State. and the confirmation notice from the State, a hard copy of the FY 2019 Audit statement, and the most recent 'Beacon' newsletter.

President Willis next asked for an update from guest Liaison to the Auditors, Lynn Evans. Rosalyn pointed out that Lynn's brief summaries and supplemental information had also been included in the email.

Update on CRA Financials – Lynn Evans:

CRA Liaison to the Auditors, Lynn Evans reported that January financials are running a little behind due to inclement weather which kept her from being able to access necessary CRA records. She reported that CRA continues to have a positive cashflow as of January 31, 2021. To date all bond payments, payroll taxes and accounts payable are current. She reported that the payables are a bit higher than normal this month due to processing, from a timing standpoint, being delayed due to the bad weather.

Lynn Evans stated that the June 30, 2019 Audit was completed and officially submitted to the State on February 18, 2021. She noted that the report that was finalized and submitted had no changes from the draft that was presented by the external auditors at the previous Board meeting. She said that the June 30, 2020 Audit was started earlier this week and that she will be working with management and the auditors internally to ensure that the 2020 Audit is completed as quickly as possible. The auditors foresee no concerns with having it finished prior to June 30, 2021, dependent upon a timely arrival of the information that comes from the taxing authorities. Lynn said that upon completion of the 2021 Audit, the CRA audit process will be current with the expectation that the organization will be able to move forward in a timely manner beginning with the 2021 Audit, and have that audit filed prior to the end of the calendar year.

Chairman Martin asked Lynn if the audit process is getting better timewise in reference to the taxing authorities. Lynn stated that, in her view, they have been cooperative in responding and they do understand CRA's situation. She invited President Willis to weigh in on the topic. Rosalyn agreed with Lynn's comments and added that because of the new way that CRA's audits are being done that work that needs to be done on their part is very taxing to their staff who continue to do what is necessary to help CRA meet its deadlines. Rosalyn noted that some delays in getting needed information was due to the COVID-19 pandemic. She stated that she has sent emails to the Taxing Authorities with an outline of the pending audit and what CRA will need to have done.

Update on Highland Row Parking Garage – Rosalyn Willis:

President Willis reported that CRA is at the last stage of the signage issue and that the head of City Engineering has signed off on most of what needs to be done, with the exception of one last request, which is being tracked. She announced that the debt service payment is due April 1, 2021 and that it may be somewhat short. Per Rosalyn's conversation with the Bond Trustee (Regions Bank), she specified that the Bond Trustee will not consider this an item of default and therefore CRA will not be issued a letter of default.

President Willis reported that once the houses that are going up are completed this will add to the increment. The Assessors have also now assessed a value of the garage lease. It is possible that CRA will be able to collect taxes from 2019 and 2020.

President Willis informed the Board that CRA appealed the abatement, the reduction in taxes, which will go before the State next week. John Zelinka of The Assessor's Office will be assisting with the hearing and the documents needed for the hearing. CRA's Attorney Monice Hagler confirmed all that Rosalyn had said and stated that no date has been set for the hearing but that the judge is flexible.

Update on the Tillman Cove Project – Rosalyn Willis:

President Willis mentioned that CRA is still waiting to complete acquisition of the two parcels of property that is a critical part of the successful layout for the Tillman Cove project. The project is moving forward and is targeted for closing early Summer, 2021. The acquisition of the two parcels is pending final litigation through the City of Memphis Legal via the State.

Update on the South Memphis TIF Application – Andrew Murray:

President Willis gave CRA staff member Andrew Murray the floor in order to explain the proposed South Memphis TIF. Andrew began by reminding the Board that CRA has received an application from J. W. Gibson's team. CRA is still awaiting the second group's application which is being led by County Commissioner Reginald Milton's team of consultants and some community partners.

CRA staff member, Andrew Murray, said that information was provided to both teams to help them put together their applications. CRA has conducted a preliminary review of the Gibson application and identified four (4) areas that require further review/clarity; 1) The size of the TIF (which is massive), 2) The increment (where the growth in tax revenue will come from in the TIF), 3) Community Support and public engagement and 4) The Redevelopment plan and the qualification analysis along with the financial impact statement. Andrew explained in more detail what each area covers. He said that the information turned in by Mr. Gibson's team is legally insufficient and is not compliant with CRA's policies and procedures or the CRA Act.

Andrew mentioned CRA's review process. He reported that, pursuant to the discussion at the January 21st CRA Board meeting, a complete review will take place once the second application is submitted. He explained that two (2) TIF applications are being submitted (within the same geographical location) but that there can only be one TIF, therefore one or the other TIF applications will be chosen or the two applicants can agree to a joint application.

CRA staff member Andrew Murray pointed out that multiple inquiries have been received from the South Memphis Community in opposition of one or both TIF districts – to date at least two (2) neighborhoods do not want to be included in either TIF district and Andrew anticipates that

other letters from organizations will be forthcoming. President Willis stated that if the Board so desires, the Gibson application can be moved forward.

Chairman Martin talked about the CRA process that the TIF must initially go through before being submitted to the TIF Committee. CRA staff member Andrew Murray stated that the CRA is looking to the Board for direction. Recommendations were made by Andrew and Board Member Ann Langston.

It was decided that the first step moving forward would be for CRA to send a response letter to J.W. Gibson informing him of the deficiencies that need to be addressed in their application. Once a reply has been received, a Board presentation will be scheduled, possibly in May. All Board members present agreed.

Board Member Ann Langston asked Andrew to email the four (4) points of insufficiency as discussed to the Board. She noted that to date, for CRA's benefit, the CRA has correctly followed the policies, processes and procedures. She recommended that a future Board discussion take place on how to handle the TIF applications, especially since the second application has yet to be received.

Board Member Sam Cantor reported that there has been an unsuccessful effort, on the part of the City Administration, to bring together the two TIF applicants. Chairman Martin pointed out that CRA's objective is to not have CRA brought into the middle of this dispute.

V. UPDATE ON CRA'S ADMINISTRATION OFFICE'S RELOCATION PLANS

President Willis reported that the current moving target date is the end of March 2021. She explained that frozen pipes burst at the new location and had to be fixed. She also reported that a team has been put together to help take care of some of the things that need to be done before CRA relocates. She said that there are concerns related to the mechanical system that CRA is trying to address in the building. She stated that things are moving forward:

- The repairing of the floors is being taking care of, some areas will be hardwood and some carpeting.
- The IT person is working on getting everything needed installed.
- Comcast has been there several time so there is now an active live line in the building.
- The IT Specialist has started to wire the various work stations for computer connections.
- A clean out of the building has taken place, including areas on the outside.

Rosalyn will give an updated progress report next week via email.

President Willis reported that she has a conference call scheduled for this morning with MMDC to get an update on their project. She said that they still have a way to go because they do not currently have control of the property site.

Board Member Sam Cantor mentioned the ClickUp tutorial that has been offered to Board members on an individual basis. President Willis informed the Board that the ClickUp training can be done virtually and that CRA Staff Member Kimani Shotwell will explain and walk each member through the practice. Board members are to notify Rosalyn if they are interested in signing up for ClickUp training.

President Willis reported that the low water pressure and heating issues in the 170 N. Main Street office building have been resolved.

VI. UNFINISHED BUSINESS

There was no unfinished business.

VII. NEW BUSINESS AND OTHER ANNOUNCEMENTS

Chairman Martin mentioned that due to inclement weather the February 11, 2021 Personnel Committee meeting was cancelled. He rescheduled the Personnel Committee meeting for Thursday, March 18th at 8:30 am. All related materials will be emailed by Chairman Martin in advance.

The next CRA Board meeting will be held virtually on Thursday, April 1, 2021 at 8:30 a.m.

VIII. ADJOURNMENT

Chairman Martin officially adjourned the meeting at 9:30 a.m.

Respectfully submitted,



Ann W. Langston, Secretary