

MINUTES OF MEETING
OF
THE METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

The Meeting of the Board of Commissioners of the Metropolitan Development and Housing Agency was held on Tuesday, February 2, 2016, at 11:30 a.m. in the Collaboration Center of the Gerald F. Nicely Building, 701 South 6th Street, Nashville, TN.

PRESENT: Ralph Mosley, Chair
 Melvin Black, Vice Chair
 Jimmy Granbery, Vice Chair
 Gif Thornton
 Minniimah Basheer
 Antoinette Batts
 Charles Robert Bone

ABSENT: None

ALSO PRESENT: James Harbison, Secretary-Treasurer and Executive Director
 James L. Thiltgen, Deputy Executive Director
 Margaret Behm, Legal Counsel
 Ben Bentley, COO
 Tremecca Doss, General Counsel
 Melinda Hatfield, Director of Finance
 Will Biggs, Director of Affordable Housing
 Martha Gregory, Director of Administrative Services
 Angie Hubbard, Director of Community Development
 Norman Deep, Director for Rental Assistance
 Ed Shewmaker, Director of Construction
 Jamie Berry, Director of Communications
 Connie Martin, Assistant Director for Affordable Housing
 Jon Darden, Affordable Housing Chief Operating Officer
 Benton Smothers, Urban Development Manager
 Steve Adams, Assistant Director for Human Resources
 Steve Rutland, Senior Project Manager
 Jean Merkle, Administrative Assistant to the Executive Director
 Frances Daniels, President, Parkway Terrace Resident Association
 Gail Taylor, Manager, Parkway Terrace
 Councilman Freddie O'Connell
 Mark Sturtevant, Mayor's Office
 Hershell Warren, Mayor's Office
 Scott Brian, LDG Development
 Mac McDonald, LDG Development

Mary J. Woodman, LDG Development
Matt Burnett, Freeman Webb
Kent Burns, Freeman Webb
Austin Benedict, CBRE
Jim Murphy, Bradley Arant Boult Cummings
Marsha Edwards, Martha O'Bryan Center
Brad Rayson, SEIU
Nat King Cole, SEIU
Candace Hyde, SEIU
Alex Marks, 4PANT, LLC
Hunter Gee, Smith Gee Studios
Bill Barkley, 4PANT, LLC

The Chair called the meeting to order and requested approval of the Minutes of the Meeting of December 9, 2015. Commissioner Basheer moved adoption of the following resolution:

Resolution No. 1-16

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves the Minutes of the Meeting of December 9, 2015, as submitted.”

The motion was seconded by Commissioner Thornton, and upon vote all voted “aye”. None voted “no”.

The Chair introduced Charles Robert Bone who has been appointed by Mayor Barry to fill the unexpired term of Anna Page as a commissioner of the agency. Mr. Bone will be confirmed by the Metro Council later at its meeting later on this date. Chair Mosley also introduced Councilman Freddie O'Connell; Frances Daniels, President, Parkway Terrace Resident Association; and Gail Taylor, Manager, Parkway Terrace.

Chair Mosley stated there were four persons requesting an opportunity to make public comments and called on Brad Rayson, SEIU President. Mr. Rayson expressed concerns regarding the Pilot Program for Random Drug and Alcohol Testing and the Disciplinary Policy. He requested the Board defer the drug and alcohol testing pilot program on the agenda for the meeting.

Scott Bryan with LDG thanked the Board for its approval of the PILOT for the Paddock at Grandview project. He also thanked staff members who he had worked with on the project.

Steve Reiter presented his comments and concerns regarding the pilot program to be considered by the Board later in the meeting. Mr. Reiter also commented on other items before the Board.

Marsha Edwards, Executive Director of the Martha O'Bryan Center, spoke in support of the Envision Cayce project and the legislation to provide funding for the project.

Chair Mosley presented the report from the Human Resources Committee meeting held on December 8. He stated Mr. Harbison provided a report on the trial period for the On The Spot Bonus Program for employees. During the past year, 125 employees received the \$100 bonus. Mr. Harbison said beginning in March the program will continue for an additional year. Mr. Harbison also provided an update on the decentralized disciplinary pilot program previously approved by the Board as for one year, and scheduled to begin in March. Mr. Harbison presented the committee a proposal to begin a suspicionless drug testing and alcohol testing pilot program for one year. This action is the result of discussion and request by a Commissioner at the Board's meeting in August 2015. This program would randomly test approximately 125 employees who are in safety sensitive position and would be evaluated by the committee after one year. Approval was given for this pilot program to be submitted to the Board for approval. Chair Mosley said the last item on the committee's agenda was a report by Pat Thicklin, Training/EEO Specialist. Ms. Thicklin provided an update on the maintenance training program stating all maintenance supervisors have received certification by the Greater Nashville Apartment Association as a Certified Apartment Maintenance Technician. She is currently working on a personal development training plan for each maintenance worker.

Commissioner Granbery presented the report from the Development Committee meeting held on January 28, 2016. He stated Mr. Harbison gave an update on status of ongoing projects. Afterwards, Angie Hubbard, Director of Community Development, said staff is working on the 2016 Action Plan for the Community Development Block Grant, HOME, ESG and HOPWA programs. Once the agency is notified of the amount of funding for the program year, the draft will be available for public comment for at least 30 days along with three public hearings. Ms. Hubbard additionally announced the award of \$261,727.78 from THDA that will be used to supplement the agency's Weatherization Assistance Program. Commissioner Granbery reported that the RFP selection process for the leasing agent for retail space at the parking garage has been completed and the Board will consider the award of a contract at its next meeting. He said Joe Cain, Director of Development, discussed a request from 4PANT for an increase in the amount of tax increment financing previously approved. This item will be presented to the Board at its next meeting. Mr. Cain discussed an application for a PILOT agreement for Old Hickory Towers that will also be presented to the Board at its next meeting. Mr. Cain said a request for TIF has been received for a nine unit condominium project in the Skyline Redevelopment District and staff is recommending approval. Proposals have been received for three parcels at Rolling Mill Hill and the evaluation process is beginning. Mr. Harbison said plans are to use proceeds from the sale of the RMH properties for Envision Cayce. He stated that to accomplish this an amendment to both the Rutledge Hill and Cayce Place Redevelopment Districts will be presented to the Board at its next meeting. Also discussed for the next Board meeting was the award of the architectural and engineering contract for Kirkpatrick Park. The last item was an update on the Paddock at Grandview PILOT which was deferred for one meeting by the Metro Council's Budget and Finance Committee. A substitute resolution is being prepared that will clarify minor issues.

The Chair called on Mr. Harbison for the first item of business. He asked the Board to adopt a resolution honoring Eugene Ellis for his years of service upon his recent retirement. Commissioner Granbery moved adoption of the following resolution

Resolution No. 2-16

“WHEREAS, Eugene Ellis, Senior Property Manager, of the Affordable Housing Department of the Metropolitan Development and Housing Agency, retired on January 29, 2016; with 25 years of public service; and

WHEREAS, Mr. Ellis began his tenure with MDHA as Assistant Security Coordinator in October 1991; and

WHEREAS, during his 25 year tenure, he managed Sam Levy Homes, Preston Taylor Homes, Hadley Park Towers, Tony Sudekum Homes and J. C. Napier Homes; and

WHEREAS, Mr. Ellis became Senior Property Manager at Cayce Place in July 2010 and continued there until his retirement; and

WHEREAS, as Senior Property Manager, he assisted in the training of many of the agency’s current managers;

NOW BE IT RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it is pleased to recognize Eugene Ellis for his dedicated service to the residents of MDHA.”

The motion was seconded by Commissioner Black, and upon vote all voted “aye”. None voted “no”.

Mr. Harbison presented the next item requesting approval of assignments for the Board committees. Commissioner Black moved adoption of the following resolution:

Resolution No. 3-16

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approval the assignments the committees of the Board of Commissioners; date and time of meetings; and the Commissioner and staff assignments to each committee as outlined in a memorandum to the Board of Commissioners from James E. Harbison, Executive Director, dated January 29, 2016.”

The motion was seconded by Commissioner Basheer, and upon vote all voted “aye”. None voted “no”.

Mr. Thiltgen stated that T.C.A. Section 9-21-151 requires submission of State Form CT-0253 Report on Debt Obligation when a public entity incurs debt. On December 15, 2015 improvements at

Ryman Lofts were conveyed to MDHA in consideration of a note for \$8,684,700, interest only and offset by rent payments payable to Ryman Lofts at Rolling Mill Hill LP to MDHA. Mr. Thiltgen stated this is to implement a legal structure designed to protect the tax credit property from high property taxes. He said this constitutes public notice to disclose the details of the transaction to the Board and no action is required.

The next item presented by Mr. Thiltgen was also a disclosure of debt obligation for three tax increment loans closed in December 2015: \$628,000 loan for 1821 Jefferson Street closed December 21, 2015 with Avenue Bank at a 5% interest rate which will reset after five years; \$525,000 loan for River House (on Rolling Mill Hill) closed December 17, 2015 with J. R. Hyde III, lender, at 5.75% interest, expected to amortize in two years; and \$12.5 million loan for 505 CST closed December 3, 2015 with First Advantage Bank at a 5.5% interest rate which will reset in 2022. Public disclosure has been made and no action is required by the Board.

Mr. Harbison requested Board approval of a one-year pilot program for random drug and alcohol testing for safety sensitive positions. He stated this was the result of an inquiry by Commissioner Basheer for agency wide random drug and alcohol testing. After discussion, Commissioner Black moved to defer approval of a pilot program for two months, which was seconded by Commissioner Batts. Discussion followed and Commissioner Basheer stating she did not see reason to defer action for an additional two months. Upon vote for deferring action on the proposed one-year pilot program for random drug and alcohol testing, Commissioners Black and Batts voted "aye", Commissioners Basheer, Granbery & Thornton voted "no". The motion failed. Discussion continued and Commissioner Granbery moved the following resolution:

Resolution No. 4-16

"RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves the one-year Random Drug and Alcohol Testing Pilot Program; and

BE IT FURTHER RESOLVED, That after one year the pilot program will be reviewed by the Human Resources Committee for consideration and recommendation on adoption of the program into the agency's Personnel Policy."

The motion was seconded by Commissioner Basheer, and upon roll call vote Commissioners Thornton, Granbery and Basheer voted "aye". Commissioners Black and Batts voted "no".

Mr. Harbison requested approval of Amendment No. 8 to the Rutledge Hill Redevelopment Plan and Amendment No. 1 to the Cayce Place Redevelopment Plan. He stated this item relates to the proceeds from the sale of three parcels at Rolling Mill Hill in the Rutledge Hill Redevelopment Plan be designated for the use of Envision Cayce. Both amendments require approval by the Metropolitan Council. After discussion of the proposed amendments and other legislation before the Metro Council, Commissioner moved to defer action until the next Board meeting:

Resolution No. 5-16

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby defers action on the request for approval of Amendment No. 8 to the Rutledge Hill Redevelopment Plan and Amendment No. 1 to the Cayce Place Redevelopment Plan until a later meeting of the Board of Commissioners.”

The motion was seconded by Commissioner Black, and upon vote all voted “aye”. None voted “no”.

Mr. Harbison next requested Board approval to file with the Metropolitan Council an ordinance amendment Title 5 of the Metropolitan Code pertaining to tax increment financing. In line with the previous discussion, Commissioner Granbery moved to defer action on this request:

Resolution No. 6-16

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby defers action on the request for approval of an ordinance to the Metropolitan Council amending Title 5 of the Metropolitan Code pertaining to tax increment financing.”

The motion was seconded by Commissioner Black, and upon vote all voted “aye”. None voted “no”.

Will Biggs, Director of Asset Management, requested Board approval to award a contract to Smith Gee Studio for architectural and engineering services for Kirkpatrick Park. Commissioner Batts moved and Commissioner Basheer seconded a motion to award the contract. Thereafter, there was a discussion regarding the availability of funding for Kirkpatrick Park as well as the timetable for delivery of the service. Additionally, the Board discussed whether or not it should approve the proposed contract without knowing the resolution of the pending ordinance regarding use of the proposed sales proceeds at Rolling Mill Hill for the Envision Cayce project. Commissioners Batts and Basheer allowed their motion to be amended. Commissioner Granbery moved and Commissioner Thornton seconded to amend the motion to approve and award the contract subject to resolution of the issue as determined by the Executive Director that said funds may be used towards the Envision Cayce project.

Resolution No. 7-16

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby awards a contract to Smith Gee Studio, in an amount not to exceed \$1,250,000, for architectural and engineering services for Kirkpatrick Park; and has committed to the proper management of funds it receives; and

BE IT FURTHER RESOLVED, That this approval is subject to resolution, as determined by the Executive Director, of the availability of funds for the Envision Cayce Project.”

Upon vote all voted “aye”. None voted “no”.

Ms. Angela Hubbard, Director of Community Development, requested the Board accept an award from the U.S. Department of Housing and Urban Development in the amount of \$2.7 million to implement the Jobs Plus Pilot Program. Commissioner Black moved adoption of the following resolution:

Resolution No. 8-16

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it here accepts the award of a Jobs Plus Pilot Program Grant in the amount of \$2.7 million from the U.S. Department of Housing and Urban Development; and

BE IT FURTHER RESOLVED, That the Executive Director is hereby authorized to execute the Grant Agreement and any other documents that may be deemed necessary to implement the Grant.”

The motion was seconded by Commissioner Thornton, and upon vote all voted “aye”. None voted “no”.

Ed Shewmaker, Director of Construction, requested Board approval of Change Order No. Two to the contract with R.G. Anderson Company, Inc. in the amount of \$178,287 for the construction of Cayce Place Apartments. Commissioner Black moved adoption of the following resolution:

Resolution No. 9-16

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves Change Order No. Two to the contract with R.G. Anderson Company, Inc. in the amount of \$178,287 thereby increasing the total contract to \$11,434,565.”

The motion was seconded by Commissioner Basheer, and upon vote all voted “aye”. None voted “no”.

Benton Smothers, Urban Development Manager, presented the first of four Urban Development items, all of which had been presented to the Development Committee and approved for submittal to the full Board. He requested Board approval of an amendment to the Development Agreement with 4PANT, LLC to provide an increase in tax increment financing of \$1 million for a total of \$6.5 million. Commissioner Granbery moved adoption of the following resolution:

Resolution No. 10-16

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves an amendment, substantially in the form presented, to the Development Agreement with 4PANT, LLC providing an increase of \$1,000,000 to the tax increment loan for the rehabilitation of property located at 206-212 4th Avenue North in the Capitol Mall Redevelopment District into a boutique hotel, thereby increasing the total amount of the loan to \$6,500,000; and

BE IT FURTHER RESOLVED, That the Executive Director is authorized to execute the amendment to the Development Agreement, including all loan documents, and any other such documents as may be required to implement the Development Agreement.”

The motion was seconded by Commissioner Basheer, and upon vote all voted “aye”.
None voted “no”.

Mr. Smothers next requested Board approval to enter into a Development Agreement with Urban South Group, LLC for the development and sale of nine townhomes at 1101 Dickerson Road in the Skyline Redevelopment District. The developer has requested tax increment financing in the amount of \$140,000 to assist with eligible expenses in the construction of the project. After discussion, Commissioner Granbery moved adoption of the following resolution:

Resolution No. 11-16

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves entering into a Development Agreement with Urban South Group, LLC, substantially in the form presented, to provide assistance in the form of up to \$140,000 tax increment loan for the construction of nine townhomes at 1101 Dickerson Road in the Skyline Redevelopment District; and

BE IT FURTHER RESOLVED, That the Executive Director is authorized to execute the Development Agreement, including all loan documents, and any other such documents as may be required to implement the Development Agreement.”

The motion was seconded by Commissioner Thornton, and upon vote all voted “aye”.
None voted “no”.

Mr. Smothers requested Board approval of a PILOT Agreement with Old Hickory Towers, LP for the renovation of Old Hickory Towers at 930 Industrial Drive in Old Hickory. The developer has been awarded a 9% tax credit from the Tennessee Housing Development Agency. After discussion, Commissioner Batts moved adoption of the following resolution:

Resolution No. 12-16

“BE IT RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves the PILOT Agreement between MDHA and Old Hickory Towers TN, LP, substantially in the form submitted; and

BE IT FURTHER RESOLVED, That the Executive Director is authorized to execute any and all necessary documents for implementing the PILOT, including property transfer, execution of leases, and any legislative requirements including submission to the Metropolitan Council for its approval.”

The motion was seconded by Commissioner Thornton, and upon vote all voted “aye”. None voted “no”.

The last item submitted by Mr. Smothers was the award of a contract for a retail leasing consultant for the retail component of the MDHA parking garage currently under construction at 5th and Church Streets. A request for proposals was issued in November with two proposals received. The evaluation committee selected CBRE as the retail leasing consultant. Commissioner Granbery moved adoption of the following resolution:

Resolution No. 13-16

“RESOLVED by the Board of Commissioners of the Metropolitan Development and Housing Agency, That it hereby approves award of a contract to CBRE as the retail leasing consultant for the retail component of the MDHA Parking Garage located at 5th and Church Streets for a five year term with an option to renew for an additional four years; and

BE IT FURTHER RESOLVED, That the Executive Director is authorized to enter into the contract substantially in the terms submitted in the CBRE proposal.”

The motion was seconded by Commissioner Black, and upon vote all voted “aye”. None voted “no”.

The Chair called on Ms. Daniels who said things were going well at Parkway Terrace. Ms. Taylor said all 125 units are currently leased. She also spoke about a reading program at the site three times a week.

Commissioner Black said Mr. Thiltgen had a birthday coming up and led the group in singing Happy Birthday.

There being no further business to come before the Board, the Chair declared the meeting adjourned.

Secretary

APPROVED:

This _____ day of _____, 2016.

Chair