



Downtown Investment Authority
Strategic Implementation Committee Hybrid Meeting
Monday, September 19, 2022 – 2:00 p.m.

Strategic Implementation Committee Hybrid Meeting
Draft – MEETING MINUTES

Strategic Implementation Committee Members (CM) in Attendance:

Braxton Gillam, Esq., Chair
Craig Gibbs, Esq.
Carol Worsham, Ex Officio (via Zoom)

Committee Members Excused: David Ward, Esq.

Board Members in Attendance:

DIA Staff Present: Lori Boyer, Chief Executive Officer; Xzavier Chisholm, Administrative Assistant; Wanda James Crowley, Financial Analyst (via Zoom); Steve Kelley, Director of Downtown Real Estate and Development (via Zoom); Susan Kelly, Redevelopment Coordinator (via Zoom); Guy Parola, Operations Manager; Antonio Posey, Project Manager; and Ina Mezini, Communication and Marketing Specialist (via Zoom).

Office of General Counsel: Joelle Dillard, Esq.

Council Members Present:

I. CALL TO ORDER

The Strategic Implementation Committee meeting of September 19, 2022, was called to order at 2:00 p.m. by Chairman Gillam.

Chairman Gillam began the meeting with the citing of the Pledge of Allegiance followed by introductions from meeting participants.

II. PUBLIC COMMENTS

Chairman Gibbs called for public comment.

The following persons made in-person public comments, made public comments virtually through Zoom, or provided comments that were read into the record by DIA Staff. Note: the subject matter of the comment(s) indicated to the right of each person:

Stanley Scott	Advocated for using City funds to help the businesses in the Urban Core that are owned by residents of the downtown community.
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Carnell Oliver Advocated for pursuing state and federal dollars to help fund downtown projects and initiatives; advocated for working with more Black business owners.

III. AUGUST 11, 2022 STRATEGIC IMPLEMENTATION COMMITTEE MEETING APPROVAL OF THE MINUTES

Chairman Gillam called for corrections or other edits by his fellow committee members.

Motion: CM Gibbs moved to approve the minutes as presented

Seconded: Chairman Gillam seconded the motion

Vote: Aye: 2 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 2-0-0

IV. RESOLUTION 2022-09-04: 525 W BEAVER STREET DPRP

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) RECOMMENDING THAT CITY COUNCIL APPROVE A DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM FORGIVABLE LOAN PACKAGE FOR REHABILITATION OF THE BUILDING LOCATED AT 525 W BEAVER ST (THE “PROPERTY”) PURSUANT TO A REDEVELOPMENT AGREEMENT WITH 525 BEAVER, LLC OR ASSIGNS (“OWNER” OR “DEVELOPER”); FINDING THAT THE PLAN OF DEVELOPMENT IS CONSISTENT WITH THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN (“BID PLAN”) AND THE DOWNTOWN NORTHBANK COMMUNITY REDEVELOPMENT AREA PLAN (“CRA PLAN”); AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE CONTRACTS AND DOCUMENTS AND OTHERWISE TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.

DIA’s Steve Kelley introduced the resolution, stating that the applicant is requesting Downtown Preservation and Revitalization Program (DPRP) funding for the redevelopment of the historic Hillman-Pratt and Walton Funeral Home Building. The project proposes 13 residential units and approximately 1,500 sq ft of leasable commercial/retail space. The proposed rehabilitation includes, but are not limited to, window replacement, roof repairs, building safety features, exterior repairs, and paint.

CM Gibbs asked if Downtown Development Review Board (DDRB) has weighed in on any of the proposed conditions. DIA’s Guy Parola responded that the applicant has received Conceptual Approval but has to receive Final Approval.

CM Gibbs asked how parking will be provided. Mr. Kelley responded that the applicant is also planning to repair and improve a portion of the adjacent surface lot to be used as parking for the development. None of the costs associated with the parking lot or proposed swimming pool area are eligible for DPRP funding.

Responding to a question from CM Gibbs regarding the estimated 50 percent occupancy rate described in the staff report, Mr. Kelley stated that he ran the numbers mostly out of intellectual curiosity to see what the debt service coverage might be and what the viability of the project might be considering that the property will be utilizing an Airbnb/Vrbo-type model with short-term rental which really hasn't been seen downtown. The model works very well at 25 percent vacancy rate but starts running into trouble at a 50 percent vacancy rate. LISC, who has underwritten the construction loan, might approach the underwriting utilizing different assumptions.

Responding to a question from Chairman Gillam regarding historic tax credits, Mr. Kelley stated getting those tax credits are not a requirement for the DPRP funding, but the applicant would have to fill that funding gap with either additional debt or additional equity as well as meeting the requirements of the Historic Preservation Commission (HPC).

Chairman Gillam asked if the time constraints are reasonable considering the amount of time it may take to get through the application process at the Federal level. Eric Adler, project developer, responded that he is cautiously optimistic that they will receive approval on their application package within 30 days.

Mr. Adler confirmed for Chairman Gillam that it is a "buy-and-hold" project and they do not intend to sell or dispose of the asset. Adding that, if they were to spend \$500 per square for the project, they are optimistic that within 5 to 10 years, with the continued development of the surrounding LaVilla district, they will achieve that return.

Motion: CM Gibbs moved to approve the resolution as presented

Seconded: Chairman Gillam seconded the motion

Vote: Aye: 2 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 2-0-0

CEO Boyer confirmed for Chairman Gillam that the resolution will be on the consent agenda for the full board meeting since it was approved unanimously with no amendments unless a board member elects to remove it.

V. OTHER MATTERS TO BE ADDED AT THE DISCRETION OF THE CHAIR

None.

VI. ADJOURNMENT

Chairman Gillam adjourned the meeting at 2:25 p.m.

The written minutes for this meeting are only an overview of what was discussed. For verbatim comments of this meeting, a recording is available upon request. Please contact Xavier Chisholm at xchisholm@coj.net to acquire a recording of the meeting.