

Downtown Development Authority of Augusta, Georgia
Meeting Minutes
June 19, 2014

The regularly scheduled meeting of the Downtown Development Authority of Augusta, Georgia was rescheduled from June 12, 2014 to June 19, 2014 due to scheduling conflicts. The meeting was held at 8:30 a.m. at the DDA office located at 936 Broad Street, Suite 107. Those members in attendance were Joey Hadden, Sanford Loyd, Natalie McLeod, Cameron Nixon, Dennis Welch, Executive Director Margaret Woodard, and Legal Counsel Byrd Warlick. Guests and observers included DDA Office Manager Roxanne Walls, Charles Branch and Chuck Branch of Retail Strategies LLC, Kimberly Beasley of Curvitude, Camille Price of Augusta Tomorrow, downtown property owner Michael Osbon, Bryan Haltermann of Haltermann Partners, Andrew Everett and Ryan Houston of WRDW, Eric Johnson with *Metro Spirit*, Augusta Law Department General Counsel Andrew MacKenzie and Staff Attorney Kenneth Bray, David Hutchison of The Book Tavern, Jenna Martin of *The Augusta Chronicle*, downtown property owner Jay Klugo, and Al Dallas of the Augusta-Richmond County Mayor's Office.

Mr. Nixon called the meeting to order at 8:32 a.m.

Mr. Hadden presented for approval the previous meeting minutes from May 8, 2014. With no additions or corrections, Mr. Loyd made a motion to approve. Mr. Welch seconded the motion. Mr. Nixon asked if any further discussion. Hearing none all were in favor and the motion passed unanimously.

In the Treasurer's Report, Mr. Loyd presented the financials for May 2014 which also include year-to-date.

The financials are tracking close to budget with our biggest income item being city funding. A retail recruitment sponsorship in the amount of \$100 was received for the month of May with the year-to-date total received in the amount of \$5,500. We budgeted \$6,875 for year-to-date.

The Profit & Loss Budget Performance (DDA Operating) Report for the month of May 2014 reflected the following: total income in the amount of \$13,047.28; budgeted income in the amount of \$14,800.67.

The Profit & Loss Budget Performance (DDA Operating) Report for year-to-date reflected the following: total income in the amount of \$71,092.39; budgeted income in the amount of \$74,003.35; net ordinary income in the amount of \$18,339.57; budgeted net ordinary income in the amount of \$8,948.39.

The expenses are tracking close to budget. The largest expense for the month of May was the remainder of our annual audit fees in the amount of \$7,000. Total professional fees are tracking close to budget as year-to-date reflected in the amount of \$10,840 with the year-to-date budget in the amount of \$11,613.35.

On a monthly basis, Mr. Loyd will probably call attention to our need to find or identify funding sources beyond our city funding. If we do not find other funding sources, we will continue to spend through our savings.

The balance sheet as of May 31, 2014 reflected total checking/savings in the amount of \$104,760.52. The accounts receivable balance remains unchanged as well as fixed assets. We have no unpaid liabilities.

Mr. Loyd reviewed the savings account at May 31, 2013 and May 31, 2014 and it is down approximately \$75,000. This concerns him on a regular basis to find another funding source. There is nothing unusual to report other than concern regarding another funding source.

Mr. Nixon asked if there were any questions or comments from the board. Hearing none Mr. Nixon asked for a motion to accept the Treasurer's Report as information. Mr. Welch made the motion. Mr. Hadden seconded the motion. Mr. Nixon asked if any further discussion. Hearing none all were in favor and the motion passed unanimously.

The May 2014 financials which include year-to-date are in board books.

In the Director's Report, Ms. Woodard updated the board on the following:

Active Economic Development Projects

Georgia Cities Foundation (GCF) Loan

- Mr. Chris Higdon of GCF made a site visit to 905 Broad Street which is in underwriting at GCF for a loan in the amount of \$250,000.

GCF Loans in the pipeline:

1033 Broad Street

- A site visit was made by Mr. Higdon.
- The property has been purchased by Mr. Jay Klugo and will be discussed at today's meeting under New Business for board approval to submit to GCF in the amount of \$250,000.
- The loan has been pre-approved by GCF.

Ms. Woodard introduced Mr. Klugo and welcomed him to downtown Augusta. She also thanked him for his investment. The first floor will be a sushi restaurant. He has also purchased the lot next to his building which will have dedicated parking and outdoor seating.

1022 Broad Street

- A site visit was made by Mr. Higdon.
- The property has been purchased by Mr. Ben Harrison.
- The loan has been pre-approved by GCF in the amount of \$160,000.
- The loan application is underway and will be submitted in August for board approval.

1162-1168 Broad Street

- A site visit was made by Mr. Higdon.
- This Osbon Family Partnership property that recently burned has been pre-approved by GCF for a loan in the amount of \$250,000.
- The loan application is underway and will be submitted for board approval.

These three pre-approved loans will be submitted to GCF by August. We will then be placed on hold until some of the funds are repaid.

Federal money is still available. There are no available funds for the Green Communities loan. The final loan was approved for 314 Greene Street.

Other

- The Brown Bag opened up last week at the former Rooster's Beak location.
- The Metro Market located at 851 Broad Street will open in late July and houses not only two kitchens and a market but also their corporate offices.

SPLOST VI Project/Riverwalk

- The next committee meeting will held July 10 at 2 p.m. at the DDA office to review the completed RFP and get ideas from the committee for the \$1 million in SPLOST funds allocated to the Riverwalk.

Downtown Programs

Retail Strategy

- We have raised to-date sponsorships in the amount of \$27,500.
- We received a sponsorship in the amount of \$2,500 from a long-time downtown business who wishes to remain anonymous.
- We have almost reached our retail sponsorship goal in the amount of \$30,000.

Grant Projects

James Brown Boulevard Phase 1

- Project will go out for bid for the third time.
- The pre-bid meeting will be held on June 20 with the bid opening to be held on July 8.
- Once the contract is awarded, we can break ground.

Christmas Light-Up Spectacular

- Golden Living has committed to being the fireworks sponsor this year in the amount of \$5,000.

Other

- The Georgia Downtown Conference will be held August 20 – 22 in Decatur.
- The National Main Street Conference will be held in Atlanta next year.
- Augusta and downtown will be highlighted in the August issue of *Georgia Trend*.

Clubhouse Initiative

- The Innovate Augusta capital campaign will be ready for board review in August.

Ms. Woodard and Ms. Camille Price worked together on a project regarding the activity on Broad Street in the last two years from 7th Street to 13th Street to assist GRU in their expansion needs. The Broad Street activity list is in board books for review.

Mr. Loyd asked Ms. Woodard about the contractor certification issues for James Brown Boulevard Phase I. Ms. Woodard explained that the certification that was needed from GDOT crossed in the mail and the certification letter was not received by the bid date. That contractor is now certified.

A complete copy of the Director's Report is in board books.

Mr. Nixon asked if there were any additional questions for the director. Hearing none Ms. Woodard asked for a motion to receive the Director's Report as information. Mr. Loyd made the motion. Mr. Welch seconded the motion. Mr. Nixon asked if any further discussion. Hearing none all were in favor and the motion passed unanimously.

Under New Business, Mr. Nixon introduced Mr. Jay Klugo. He has purchased 1033-1041 Broad Street and is a GCF loan applicant. Mr. Loyd then presented a GCF loan for 1033-1041 Broad Street in the amount of \$250,000 for board approval for submission to GCF.

GCF has already pre-approved the loan. The total cost of the project is \$1.2 million. Mr. Loyd turned the floor over to Mr. Klugo. Construction is to possibly begin in July or August with a December or possibly March opening. Mr. Klugo has two locations in Clemson, SC with a third in Seneca, SC. Mr. Loyd thanked Mr. Klugo for his investment downtown and wished him success.

Mr. Loyd presented the resolution to the board.

Mr. Loyd made a motion to approve the resolution for the GCF loan for 1033-1041 Broad Street. Mr. Welch seconded the motion. Mr. Nixon asked if any further discussion or questions for Mr. Loyd. Hearing none all were in favor and the motion passed unanimously.

Under New Business, Mr. Nixon introduced Mr. Chuck Branch and Mr. Charles Branch, both of Retail Strategies, LLC for a retail strategy update.

Mr. Chuck Branch presented the market research and strategic plan along with a marketing guide. Copies of both handouts were distributed to the board and observers.

Ms. Woodard will have access to the data so requests are to come through her. She will receive national retail trend updates on a quarterly basis.

The key over the next three to five years in downtown Augusta is going to be creating the population density through new residential development. The key going forward is identifying new developers that want to do 70 to 100 units per development or finding a developer that wants to do 200 to 250 for rent high-end residential units.

Another redevelopment zone has been identified and Mr. Branch and Ms. Woodard will spend the next day and half continuing to drive the market and look at new opportunities.

Several areas in downtown Augusta qualify as a food desert zone. A food desert zone is an attempt to get healthy and convenient food choices into certain areas across the country. There is interest with Walmart in the downtown area. They want to open up to 300 stores in food desert areas. Those are typically USDA grants and have to meet certain perimeters. Mr. Branch suggested to the board that we try to find an expert to make a presentation on applying for the new market tax credits and food grants.

The focus areas/objectives are to create new recruitment strategy for retail/restaurants on Broad Street, create a recruitment strategy for development/redevelopment areas and immediate focus on the following:

- A. Identify and target grocers for downtown area
- B. Communication regarding the Kroger site
- C. Target Augusta, Atlanta, and Savannah retailers/restaurants
- D. Mixed-use developers with a focus on for rent residential
- E. Incorporate new market tax credits/food desert grants into the development and redevelopment strategy

Mr. Branch encouraged board members to look at the city of Greenville's website along with the website for Montgomery, Alabama. He also suggested board members visit Montgomery, Alabama or tour the Lakeview District in Birmingham, Alabama.

Mr. Branch answered questions from the board and observers.

Mr. Branch's recommendations were to reinstitute the Business Improvement District and to implement a parking management plan.

A detailed listing of prospects will be presented in closed session.

Mr. Nixon thanked Mr. Branch for his presentation.

Under New Business, Mr. Nixon presented to the board for the next board meeting to be held in August as due to vacations etc. no July meeting is normally held. A special called meeting will be held if there is pressing business to be discussed. No motion is needed and the next regularly scheduled board meeting will be held in August.

In lieu of going into closed session to discuss the request being made by General Counsel Andrew McKenzie, the request will be made under New Business.

Under New Business, Mr. Nixon introduced General Counsel McKenzie who then presented to the board a resolution authorizing the transfer of real property to Augusta, Georgia and a quit-claim deed. The property address is 1A Fifth Street and is currently being used as part of the marina operations. This property was deeded to the DDA as part of a bonding project in 1993 with no cost to the DDA. The bonds are paid off. There are issues in regards to the management of the property. With three property owners it is complicated to manage the property as to make a decision you have to get approval from those three property owners. The request being made is to deed the property back to the city at no cost which will allow the city to manage and work with the Port Authority to do what is necessary in respect to the current marina operator.

Copies of the resolution and quit-claim deed were distributed to board members.

DDA Legal Counsel Warlick recommended we approve General Counsel McKenzie's request and quit-claim deed.

With DDA Legal Counsel Warlick's recommendation, Mr. Nixon asked for a motion to accept the resolution with the quit-claim deed. Mr. Hadden made the motion. Mr. Loyd seconded the motion. Mr. Nixon asked if any further discussion. Hearing none all were in favor and the motion passed unanimously.

The next item on the agenda was closed session. The reason for going into closed session was to discuss a possible acquisition of interest in real estate. Mr. Loyd made a motion to go into closed session. Mr. Hadden seconded the motion. All were in favor and the motion passed unanimously.

The board went into closed session at 9:40 a.m.

Mr. Loyd made the motion to come out of closed session. Mr. Hadden seconded the motion. All were in favor and the passed unanimously.

The board came out of closed session at 9:56 a.m.

With no further business to discuss Mr. Nixon adjourned the meeting at 9:58 a.m.

Respectfully Submitted,

Joey Hadden, Secretary